4602. By Mr. WELCH of California: Petition submitted by the United States Employees' Association of California, containing 110 signatures, favoring the passage of the Welch bill (H. R. 6518), to reclassify and increase the salaries of Federal employees; to the Committee on the Civil Service.

4603. By Mr. ZIHLMAN: Petition of Mrs. Leulah Rice and numerous other citizens of Takoma Park, Md., protesting against House bill 78 or any similar measure; to the Committee on the District of Columbia.

SENATE

TUESDAY, *February 28, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Most holy and merciful God, the strength of the weak, the rest of the weary, the comfort of the sorrowful, the savior of the sinful, and the refuge of Thy children in every time of need, save us from all pride and self-will, from weakness of judgment, from indecision and infirmity of purpose, from the sluggishness of indolence, from despondency in failure, and from a feeble sense of our duty, that leaning only upon Thee we may here find joy in Thy service, and at the last the fruition of all our labors, where mortal and immortal merge and human dies divine. Through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 49. An act to amend the Code of Law for the District of Columbia in relation to descent and distribution;

H. R. 6685. An act to regulate the employment of minors within the District of Columbia;

H. R. 6856. An act relating to the payment or delivery by banks or other persons or institutions in the District of Columbia of deposits of moneys and property held in the names of two or more persons, and for other purposes;

H. R. 8298. An act authorizing acquisition of a site for the farmers' produce market, and for other purposes;

H. R. 10147. An act to provide a complete code of insurance law for the District of Columbia (excepting marine insurance as now provided for by the act of March 4, 1922, and fraternal and benevolent insurance associations or orders as provided for by the act of March 3, 1901), and for other purposes;

H. R. 10298. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Orleans, La.;

H. R. 10715. An act to authorize Col. Charles A. Lindbergh, United States Army Air Corps Reserve, to accept decorations and gifts from foreign governments;

H. R. 10869. An act amending section 764 of subchapter 12, fraternal beneficial associations, of the Code of Law for the District of Columbia; and

H. R. 11197. An act to authorize the Secretary of War to grant rights of way to the Vicksburg Bridge & Terminal Co. upon, over, and across the Vicksburg National Military Park at Vicksburg, Warren County, Miss.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 25) providing for the enrollment of House bill 10635, the Treasury and Post Office Departments appropriation bill for the fiscal year 1929, with certain amendments, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bruce	Ferris	Hale
Barkley	Capper	Fess	Harris
Bayard	Caraway	Fletcher	Harrison
Bingham	Copeland	Frazier	Hayden
Black	Couzens	George	Heflin
Blaine	Curtis	Gerry	Howell
Blease	Cutting	Gillett	Johnson
Borah	Dale	Glass	Jones
Bratton	Deneen	Gooding	Kendrick
Brookhart	Dill	Gould	Keyes
Broussard	Edge	Greene	King
La Follette	Norris	Schall	Tydings
McKellar	Nye	Sheppard	Tyson
McLean	Oddie	Shipstead	Walsh, Mont.
McMaster	Overman	Shortridge	Warren
McNary	Phipps	Simmons	Waterman
Mayfield	Pittman	Smoot	Watson
Metcalf	Ransdell	Steck	Willis
Moses	Reed, Pa.	Steiwer	
Neely	Robinson, Ind.	Stephens	
Norbeck	Sackett	Thomas	

Mr. FLETCHER. I desire to announce that my colleague the junior Senator from Florida [Mr. TRAMMELL] is unavoidably absent. I will let this announcement stand for the day.

Mr. GERRY. I was requested to announce that the junior Senator from New Jersey [Mr. EDWARDS] is detained from the Senate by illness in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

HOUSE JOURNAL, FOURTEENTH LEGISLATURE OF HAWAII

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting a copy of the House Journal of the Fourteenth Legislature, Territory of Hawaii, regular session of 1927, which was referred to the Committee on Territories and Insular Possessions.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from the Texas Federated Agricultural Association, signed by R. M. Kleberg, of Corpus Christi; S. Gough, of Amarillo; Roger Gillis, of Del Rio; and Ed Henry, of San Antonio, resolutions committee, all in the State of Texas, requesting that an impartial investigation be made of conditions relative to immigration from Mexico before consideration or passage of the so-called Box bill, affecting immigration into the United States from the Republic of Mexico, which was referred to the Committee on Immigration.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from the Connecticut State Federation of Women's Clubs, signed by Emily Louise Plumley, president, Stamford, Conn., praying for the passage of the so-called McSweeney bill, being the bill (H. R. 6091) to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, etc., which was referred to the Committee on Agriculture and Forestry.

Mr. WARREN presented a resolution adopted by the Business Men's Club, of Saratoga, Wyo., remonstrating against the passage of legislation changing the public land laws or extending the present limits of forest reserve and game preserve areas, which was referred to the Committee on Public Lands and Surveys.

Mr. FRAZIER presented the petition of R. M. Crihton and 52 other citizens of Verona, N. Dak., praying for the passage of the so-called Brookhart bill, S. 1667, relative to the distribution of motion pictures in the various motion-picture zones of the country, which was referred to the Committee on Interstate Commerce.

Mr. BLAINE presented a memorial of 390 citizens of the State of Wisconsin, remonstrating against the passage of the so-called Brookhart bill (S. 1667) relative to the distribution of motion pictures in the various motion-picture zones of the country, which was referred to the Committee on Interstate Commerce.

Mr. DENEEN presented a memorial of sundry citizens of the State of Illinois, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. COPELAND presented a resolution adopted by the Nassau County Organization, representing 30 American Legion posts, Department of New York, protesting against the use of second-hand, dilapidated coffins that have been exposed to the elements of five years for the reburial of bodies of veterans in the cemetery at Bony, France, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by the Woman's Foreign Missionary Society of the Methodist Episcopal Church, favoring the revision of treaties between the United States and China so as to afford more equitable and favorable treatment to China, which were referred to the Committee on Foreign Relations.

Mr. REED of Pennsylvania presented a petition of the Philadelphia (Pa.) Board of Trade praying for the passage of the bill (S. 810) to reduce passport fees, and for other purposes, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Philadelphia (Pa.) Board of Trade praying for the passage of the bill (H. R. 8557) to provide for the establishment and operation of foreign trade zones in ports of entry of the United States, etc., which was referred to the Committee on Commerce.

Mr. BINGHAM presented a letter in the nature of a memorial from the Connecticut Beekeepers' Association, remonstrating against the passage of legislation permitting the use of corn sugar in certain classes of foods without being so labeled, which was referred to the Committee on Manufactures.

He also presented a resolution adopted by the New London County (Conn.) Dental Association, praying for the passage of House bill 5766, the so-called Parker bill, to provide for the coordination of the public h alth activities of the Government, which was referred to the Committee on Finance.

He also presented letters in the nature of petitions from the American Legion auxiliaries of Stonington, Fairfield County and of Portland, all in the State of Connecticut, praying for adoption of the proposed naval building program, which were referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Seymour Grange, of Seymour, Conn., protesting against adoption of the proposed naval building program, which was referred to the Committee on Naval Affairs.

He also presented telegrams in the nature of petitions from the New Haven Chapter, Norwich Chapter, No. 110, Nathan Hale Chapter, No. 58, of Hartford, and Elpis Chapter, No. 117, of New Britain, all of the Order of Ahepa, in the State of Connecticut, praying for adoption of the pending debt settlement between the United States and Greece, which were referred to the Committee on Foreign Relations.

INTERSTATE COMMERCE COMMISSIONER JOHN J. ESCH

Mr. SACKETT. Mr. President, I ask unanimous consent to have printed in the RECORD in the regular order of proceedings and referred to the Committee on Interstate Commerce a letter from Mr. Alba B. Johnson to Senator CARTER GLASS and the reply of Senator GLASS thereto.

There being no objection, the letters were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

RAILWAY BUSINESS ASSOCIATION,
Philadelphia, February 21, 1928.

Hon. CARTER GLASS,
Senate, Washington, D. C.

MY DEAR SENATOR: The courtesy and deference shown to Interstate Commerce Commissioner Esch in his examination by the Senate committee creates an atmosphere inviting impartial discussion of the issues by those not directly interested in the Lake Cargo Coal case.

Colloquy at the hearing has focused attention upon the question whether Mr. Esch believes the commission to have the power, and should exercise it, to make rate adjustments designed to take business from one region and give it to another. As presented, this general question is complicated with collateral matters. One is the frequent obligation to correct inequity in rate relations, though such adjustment always tends and is intended to shift business. Another is the Hoch-Smith resolution, which was cited in the lake coal decision as requiring rate concessions to a depressed industry whenever within the zone of reasonableness the commission lawfully has discretion. For the purpose, however, of the point which I desire to call to your attention, imagine if you can that the commission in some rate case has deliberately and statedly asserted and exercised the power, clearly beyond the sphere of making rates reasonable, to transfer prosperity from one group of producers to another. Suppose, further, that a Senator dissents from such assertion of power. What course should he pursue?

Should he advise against the renomination and oppose the confirmation of the commissioners who voted as complained of when the term of each expires? Before adopting that procedure the Senator might well reflect upon the mischief threatened by such use of political pressure upon a semijudicial body. In this coal case some remonstrants against the decision have earnestly protested against such pressure, to which they accuse two commissioners of yielding in a change of vote between 1925 and 1927. By their indignation they fully recognize the impropriety and danger of efforts to subjugate the commission. To defeat the reappointment of an individual commissioner as punishment would merely perpetuate the practice which they deplore.

Should the Senator perhaps restrict his opposition to renominees who have changed their votes? If so, why wait until each culprit's term expires? If Mr. Esch, who changed his vote, and whose term expired in 1927, is unfit to be a commissioner, is Mr. Aitchison, who did likewise, qualified to retain office until the end of 1928?

If Messrs. Esch and Aitchison, against whom no evidence of having been politically influenced can in the nature of things be adduced and whose integrity nobody has heretofore or now assailed, were wrong on the merits in voting as they did in 1927, were not the five commissioners who concurred with them equally wrong? If he is moved to oust Mr. Esch on the ground that he voted wrong, will the Senator sit supine while all these other partners in the same guilt grind out to completion each his seven-year term?

It seems to me that this process of reasoning reduces to absurdity the resort to decapitation by senatorial rejection as warning for the future. As a servant of the whole people the Senator is bound to consider the national interest as paramount, charting for himself a route calculated to promote in the commission on one hand observance of constitutional and statutory limitations and on the other maintenance of a high standard of judgment as well as of integrity.

For the observance of constitutional and statutory limitations the commission can be held accountable through the courts. If all 10 of the commissioners who participated in the 1927 decision were beheaded, the executioners would not by such bloodshed have advanced one inch toward a permanent determination defining the power of the commission. Is it necessary for the country to lose the services of one or more experienced, capable, and reputable commissioners merely to convince the rest that their conception of powers is erroneous? Can not the courts interpret the law when in dispute? Can not Congress clarify its statutes if these are believed to have been misunderstood and misapplied?

Suppose, finally, that apart from the constitutional and legal aspects of power as exercised the Senator wishes that the commission might average higher in mental and moral attributes. Will he entertain for a moment the hope of promoting that object by refusing his confirmation vote to a statesman who in Congress and in the commission has served nearly 30 years and whom his leading interrogator at the hearing salutes as a "high-grade man"? Need the Senator hope to aid Presidents in winning the acceptance of more high-grade men, to say nothing of higher-grade men, by letting it be seen that they are expected to substitute the desire of litigants for their own judgment on pain of dismissal and may look forward to imputations upon their integrity following each decision between competitors?

The Railway Business Association, national organization of concerns manufacturing or dealing in railway equipment, material, and supplies, whose roll, herewith attached, includes members in all the States, has never discussed a freight rate or a rate level. It has no opinion upon the lake cargo controversy. It never recommends to the President candidates for the commission. Its platform, however, contains a plank urging the retention of incumbent commissioners during good health and good conduct, and urging Senators to refrain from disclosing to nominees under examination opinions by which they desire them to be governed. These things we say because, in our judgment, such a course is essential to the upbuilding and preservation of the commission as a tribunal to whose findings the public will accord the same respect as to those of the courts. We believe that no element in the country can gain so much as in the long run it will lose through breaking down the commission.

We do not say whether Mr. Esch should be confirmed or not. It is the prerogative and the duty of Senators to ascertain whether he has displayed intelligence, industry, and fidelity. We urge you, however, to leave to the courts the question whether he has participated in action contrary to the Constitution or the statutes, and to adopt measures other than rejection of a nominee for improving the quality of judgment exercised by commissioners. It is my purpose to recommend to the Railway Business Association a resolution favoring longer terms, higher salaries, and reduction of burden for interstate commerce commissioners.

With high respect,

Yours truly,

ALBA B. JOHNSON, *President.*

FEBRUARY 25, 1928.

MY DEAR SIR: I am this moment in receipt of yours of February 21 relating to the hearings before the Interstate Commerce Committee of the Senate in the case of Mr. Esch, nominated for continued membership on the Interstate Commerce Commission. I am not a member of the Interstate Commerce Committee and can not assume to conjecture what considerations may influence the action of the committee in the Esch case, nor will I pretend to speak for any other Senator. For myself I may say that the considerations so kindly presented by you, for the guidance of the committee and the Senate, have not been entirely overlooked.

You will pardon me if I venture to say that, in my conception of the case, your argument in behalf of the Interstate Commerce Commission and of the confirmation of Mr. Esch as a member thereof is specious rather than substantive or convincing. I take leave to believe confidently that the opposition to the confirmation of Mr. Esch is so far from being an exhibition of political influence as that it is distinctively a vehement protest against the exercise of political influence in matters relating to the functioning of the Interstate Commerce Commission.

A bit of background may clarify my meaning. For approximately 15 years the commission, from time to time, made decisions in adjustment of rate differentials between the competitive bituminous coal fields

of Pennsylvania and States adjacent without eliciting a single suggestion or a murmur from the Representatives or Senators in Congress from the adversely affected territory. This was because these Senators and Representatives in Congress assumed, as a matter of course, that the decision in each case related itself alone to the rate structure within the terms of the transportation act.

However, and of special significance, two years ago when the commission finally halted at the demands of the Pittsburgh operators for a still greater rate differential and refused to grant the petition, the political influence which now so alarms you was instantly invoked and applied. A Senator from your State of Pennsylvania bitterly antagonized the nomination of Mr. Woodlock as a member of the commission upon the avowed ground that Mr. Woodlock had participated in the decision adversely affecting the Pittsburgh coal fields. There was no breath of objection to Mr. Woodlock on the score of character or preeminent ability. He had been selected by the President because of his peculiar fitness in a realm of activity in which the commission was thought to be deficient. For weeks Mr. Woodlock's nomination was held up by your Pennsylvania Senator and opposition to his confirmation abandoned only for the avowed reason that to the opposing Senator had been practically delegated the right to name the next appointee on the commission and to name him from the State of Pennsylvania!

Soon after this occurrence the term of Commissioner Cox, of New Jersey, expired. Notwithstanding he had given satisfactory service and acquired a useful experience, Mr. Cox, having voted against the high Pittsburgh differential, was denied reappointment, and in accordance with the previously avowed understanding a gentleman long and intimately identified with the Pittsburgh coal interests was nominated to take his place on the commission. I do not recall having received at that time any word of remonstrance from you against the interjection of political influence in matters of this kind. Nevertheless the Senate, without your insistent aid, overwhelmingly repudiated this attempt to pack the Interstate Commerce Commission in behalf of a greater rate differential for the Pittsburgh coal fields, and the President found himself constrained to make a selection for the commission outside the territory affected. However it may seem to you, to some Senators it appears important to remember these circumstances.

As far as I am concerned, my association with Mr. Esch in the House of Representatives and my general knowledge of his character and nature would preclude me from supposing that he could be corruptly influenced or induced consciously to yield to extraneous influences. There are others, not so well acquainted with Mr. Esch, who feel inclined by all the attendant facts to think that the bitter opposition to Woodlock, in the first instance, and the tragic fate of Cox in the second place, were not forgotten history when two commissioners with terms nearing expiration reversed themselves and again yielded to the prayer of the Pittsburgh coal operators for an increased advantage over their competitors in other States. It is not to asperse the character of a public official to imagine a touch of timidity as an unconscious influence upon his mental processes, and I resent the suggestion from you or from any source that a Senator who has this conception of the case is actuated by political motives. As I have already said, just the reverse is true; he is indignantly resisting the political influences which were interjected without any admonitory outcry from you.

You ask if there is any more reason why Commissioner Aitchison, who likewise shifted his position, should be permitted to remain on the commission for the balance of his term than that Mr. Esch should be confirmed for another term. I should say there is not; but the name of Mr. Aitchison is not now before the Senate for confirmation. He could be removed only by impeachment, and you should be aware of the fact that the Senate has no constitutional right to initiate such a proceeding. When and if Mr. Aitchison's name shall come to the Senate for its approval, I should say that exactly the same objection might then reasonably be made to his confirmation as to that of Mr. Esch now. In neither case would the objection necessarily take the form of aspersing the nominee's character.

I very earnestly trust that I am not quite as simple as you would seem to imply when reminding me that the Interstate Commerce Commission is empowered to make rate adjustments which always tend to shift business.

I happen to know that; but I flatly deny your other postulate to the effect that such adjustments are "intended to shift" business in contemplation of the statute. I think the shifting of business is incident to rate adjustment and not the primary purpose of it. The Interstate Commerce Commission was empowered by Congress to adjust transportation rates solely with a view to the reasonableness and justness of such rates to the public, inseparably related to their compensatory nature as far as the railroads are concerned. The commission has no right, nor can Congress delegate to it any power, to adjust transportation rates with the deliberate design of "shifting business" from a competing industry or commercial enterprise in one section of the country to that of another section. The possession or exercise of any such power would make the commission the sole arbiter of industrial and business success or failure in the United States. The power in question, as recently exercised by the commission, is the power to enrich or to ruin. I do not think the Congress itself has any constitutional right to exercise such power, and until recently it was never conceived that it had intended to delegate any such right to the Interstate Commerce Commission.

With me this is the whole question; politics has not the remotest thing to do with it. I might much more readily ascribe to you political considerations in view of your utter silence when such tactics were employed to promote the industrial interests of Pennsylvania in contrast with your intemperate remonstrance now when there is resistance to their vicious effects. And as to your remarkable suggestion that Senators are proposing to coerce Interstate Commerce Commissioners "to substitute the desire of litigants for their own judgment," I say again that this is exactly what is not true. This is exactly what some Senators are protesting against, and precisely what you failed to condemn at the proper time. You were perfectly indifferent when it was proposed to "substitute the desire" of Pittsburgh coal litigants for the judgment of the commission. You were silent when it was even proposed to substitute a former attorney of the Pittsburgh coal interests for a member of the Interstate Commerce Commission who refused to yield to their demands, but now you are alert to the point of offensiveness when some Senators protest against the evil effects of the thing you once so lightly regarded, and when they also protest against the exercise of a power in behalf of your Pennsylvania coal interests which the Interstate Commerce Commission does not lawfully possess.

In your zeal you go so far beyond the confines of propriety as to tell me I have no right as a Senator to interrogate a nominee to the commission, upon whose fitness I am required by the Constitution to pass judgment lest he might assume that I do not agree with his interpretation of the law. In short, the nominee, in his immediate service, may have usurped and exercised a dangerous power, whether in a sinister way or from lack of mental perception makes no difference; nevertheless, it is your contention that a Senator, constitutionally required to determine for himself the fitness of this nominee, is not permitted to ask why the latter assumed to appropriate and exercise such a destructive power! Perhaps you know, as you clearly assume to know, more than I about the duties of a United States Senator and his sense of propriety; but since I may not always have the privilege of drawing you into conference I shall try to rely somewhat upon my own judgment in these important matters.

At the risk of briefly extending a letter now altogether too long, I venture to say that I have little patience with the contention that the so-called Hoch-Smith resolution had anything to do with the decision of the Interstate Commerce Commission in the Lake Cargo case. Inherently the resolution requires that the proposed general survey of the rate structure, as well as any action taken as a result of such survey, should be "according to the law." Repeatedly in the text of the resolution this is accentuated, and Mr. Esch and former Commissioner Hall testified that the reference was to the transportation act itself. Hence, it is idle to contend that the Hoch-Smith resolution either added to or subtracted from any provision of the interstate commerce act. The whole purpose of the Hoch-Smith resolution was revealed in the brief discussion of it in Congress, when its proponents insistently declared that the intention was to counsel the Interstate Commerce Commission to reduce transportation rates on agricultural products. The adversaries of the resolution just as insistently proclaimed that it was a futile gesture; that it conferred no authority which the commission did not already possess; that it was another of the multitude of schemes to deceive the farmers.

No Member of the Senate or House, whether favoring or opposing the resolution, ever dreamed that it might be taken as an excuse or used as a shelter for the exercise by the Interstate Commerce Commission of the power, by a manipulation of the transportation rates, to destroy a competitive industry in one section of the country in order that the industry might flourish in another section. It was never imagined by anybody that Congress was delegating to the commission power to transfer misery and squalor, however produced or to whatever extent prevailing, from one field of operation to another. Exercise of the power was never attempted by the commission until the lake cargo decision, when the evil influence which you now belatedly deplore was set in motion at your doorstep without eliciting from you a single word of expostulation.

Your suggestion that dissidents have recourse to the courts for correction of injustices and for curbing unwarranted exercise of authority is true, of course. Already appeal has been taken, and injured litigants may derive satisfaction from the reflection that the decision of the courts will not be reached under the terrifying influence of powerful interests which have not hesitated to threaten and to attempt an abasement of an inferior forum. Meanwhile your suggestion does not comprehend the full available remedy against the peril to the industry and commerce of the country in the arbitrary exercise by the Interstate Commerce Commission of a power it does not lawfully possess.

The Senate, in a proper exercise of its indubitable constitutional function, may say whether nominees to the commission who have, in its judgment, yielded to pressure to have flagrantly arrogated authority not contemplated by law, should be confirmed in the exercise of such power.

The Congress itself, if it agrees that the statute has been misinterpreted or the limits of the law exceeded, may properly so amend the act as to make plainer its intent, so that the commission may not hereafter find shelter for its abuse of power in any dubious provision of the law.

Very likely, despite your advice to the contrary, these remedies may immediately be invoked, since the favored beneficiaries of the commission's unprecedented decision are making gusty boasts that the sum of their triumph in Washington is a million dollars per week in the pockets of the Pittsburgh coal operators, taken, of course, under the color of law, from the pockets of their competitors in other States. The compensatory nature of the rate to the carriers, as the other millions of dollars to be picked from the pockets of users of bituminous coal, seem as far from the minds of these rejoicing Pittsburgh coal operators as from the thought of the Interstate Commerce Commission.

Very truly yours,

CARTER GLASS.

Mr. ALBA B. JOHNSON,
Packard Building, Philadelphia, Pa.

REPORTS OF COMMITTEES

Mr. EDGE, from the Committee on Banking and Currency, to which was referred the bill (H. R. 6491) to amend section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, reported it without amendment and submitted a report (No. 439) thereon.

Mr. WALSH of Montana, from the Committee on the Judiciary, to which was referred the bill (S. 759) to give the Supreme Court of the United States authority to make and publish rules in common-law actions, submitted an adverse report (No. 440) thereon.

Mr. SHIPSTEAD, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 59) authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920, as per a certain contract authorized by the President, reported it without amendment and submitted a report (No. 441) thereon.

COL. CHARLES A. LINDBERGH

Mr. REED of Pennsyvania. Mr. President, there is now lying upon the clerk's desk House bill 10715, which has just been passed by the House, to authorize the acceptance by Colonel Lindbergh of the various gifts and medals which have been conferred upon him in the course of his successful flights. He is an officer in the Officers' Reserve Corps of the Army of the United States and, therefore, under the Constitution can not properly accept the gifts and medals without consent of Congress. In view of the high distinction of his service and in view of the fact that these gifts are coming to him every day, by almost every mail and express delivery, it seems to me to be suitable that the Congress should take swift action upon the request that consent be given for the acceptance of the gifts. Therefore, I ask unanimous consent for the present consideration, without reference to a committee, of House bill 10715.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania?

Mr. CURTIS. Mr. President, I hope the request will not be made. I am just as anxious as anyone to have the measure passed, but if we start waiving the rule requiring the reference of bills to a committee we shall have to extend the privilege every time a Senator asks it. I do hope that the Senator will withdraw his request. He can make a poll of the committee in 15 or 20 minutes and then report the bill in the regular order. I wish he would take the regular course.

Mr. REED of Pennsylvania. Of course, if there is any objection I withdraw the request.

The VICE PRESIDENT. The bill will be read twice by title and referred to the Committee on Military Affairs.

The bill (H. R. 10715) to authorize Col. Charles A. Lindbergh, United States Army Air Corps Reserve, to accept decorations and gifts from foreign governments was read twice by its title and referred to the Committee on Military Affairs.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 3408) for the relief of the owners of cargo shipped on board the U. S. schooner barge *Catskill* in September, October, and November, 1920; to the Committee on Claims.

By Mr. JONES:

A bill (S. 3409) for the relief of M. C. Cooper (with accompanying papers); to the Committee on Claims.

By Mr. GILLETT:

A bill (S. 3410) for the relief of Mary E. O'Connor; to the Committee on Claims.

A bill (S. 3411) granting a pension to Mary H. J. Abbott; to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 3412) granting a pension to Lowell T. Newlon; to the Committee on Pensions.

A bill (S. 3413) authorizing the appointment of Lewis W. Glossinger as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. GLASS:

A bill (S. 3414) to repeal the joint resolution entitled "Joint resolution directing the Interstate Commerce Commission to take action relative to adjustments in the rate structure of common carriers subject to the interstate commerce act, and the fixing of rates and charges," approved January 30, 1925; to the Committee on Interstate Commerce.

By Mr. McNARY:

A joint resolution (S. J. Res. 102) authorizing the erection of a memorial building to commemorate the winning of the Oregon country for the United States; to the Committee on the Library.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills and a concurrent resolution were severally read twice by their titles and referred as indicated below:

H. R. 49. An act to amend the Code of Law for the District of Columbia in relation to descent and distribution;

H. R. 6685. An act to regulate the employment of minors within the District of Columbia;

H. R. 6856. An act relating to the payment or delivery by banks or other persons or institutions in the District of Columbia of deposits of moneys and property held in the names of two or more persons, and for other purposes;

H. R. 8298. An act authorizing acquisition of a site for the farmers' produce market, and for other purposes;

H. R. 10147. An act to provide a complete code of insurance law for the District of Columbia (excepting marine insurance as now provided for by the act of March 4, 1922, and fraternal and benevolent insurance associations or orders as provided by the act of March 3, 1901), and for other purposes; and

H. R. 10869. An act amending section 764 of subchapter 12, fraternal beneficial associations, of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

H. R. 11197. An act to authorize the Secretary of War to grant rights of way to the Vicksburg Bridge & Terminal Co., upon, over, and across the Vicksburg National Military Park at Vicksburg, Warren County, Miss.; to the Committee on Military Affairs.

H. R. 10298. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Orleans, La.; to the Committee on Commerce.

The concurrent resolution (H. Con. Res. 25) was referred to the Committee on Appropriations, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives is authorized and directed, in the enrollment of H. R. 10635, entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes," to make the following changes in the engrossed bill:

On page 20, line 13, after the word "act," where it occurs the first time, insert the words: ", as amended."

On page 20, line 24, after the word "act," insert the following: "and for carrying out the applicable provisions of the act approved March 3, 1927 (Stat. L. v. 44, p. 1381)."

On page 20, line 25, after the word "officers," insert the word "attorneys."

On page 21, line 1, after the word "supervisors," insert the following: "gaugers, storekeepers, storekeeper-gaugers."

On page 22, line 9, after the syllable "tions," insert the word "prescribed."

On page 22, line 14, strike out the word "bonds" and insert the word "bonded."

AMENDMENT OF THE INTERSTATE COMMERCE ACT

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (S. 656) to amend section 15a of the interstate commerce act, as amended, which was ordered to lie on the table and to be printed.

MUSCLE SHOALS

Mr. HARRISON submitted a modified amendment intended to be proposed by him to the joint resolution (S. J. Res. 46)

providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the vicinity of Muscle Shoals for the manufacture and distribution of fertilizer, and for other purposes, which was ordered to lie on the table and to be printed.

NOMINATION OF WILLIAM R. GREEN FOR THE COURT OF CLAIMS

Mr. BLEASE submitted the following resolution (S. Res. 160), which was referred to the Committee on the Judiciary:

Whereas His Excellency the President of the United States has nominated WILLIAM R. GREEN to the position of judge of the Court of Claims; and

Whereas said nomination is now up for consideration before the Judiciary Committee of the Senate; and

Whereas it is rumored that the said appointment was not made upon a question of ability but possibly of relieving an embarrassing situation by placing this party upon said bench and thereby causing a vacancy in another position: Be it

Resolved, That the Judiciary Committee be requested to inquire especially as to the ability as a lawyer of the nominee, when he last practiced law, where he last practiced law, what cases he has in the last several years been connected with in courts in which a display of any special legal ability was required and if he is a citizen of the District of Columbia and that they further inquire into the fact as to whether or not his son now holds a position at a salary of around $10,000 a year in the department to which he is to be appointed judge or an associate department and that they report their findings to the Senate upon these matters along with their recommendation as to confirmation.

PRINTING OF SOIL SURVEY OF PINELLAS COUNTY, FLA.

Mr. FLETCHER (for Mr. TRAMMELL) submitted the following resolution (S. Res. 161), which was referred to the Committee on Printing:

Resolved, That there be printed 2,000 copies of the soil survey of Pinellas County, Fla., for the use of the document room of the United States Senate, after such revision as may be deemed necessary by the Bureau of Soils of the Department of Agriculture.

TRAVEL EXPENSES OF SENATORIAL CLERKS

Mr. NYE submitted the following resolution (S. Res. 162), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is authorized and directed to reimburse from the contingent fund of the Senate one clerk or one assistant clerk to each Senator, or to one clerk or assistant clerk to each committee of the Senate, such amounts as may be necessarily paid by said clerk or assistant clerk for transportation, Pullman charges, and meals en route from Washington, D. C., to the place of residence in the State of the Senator by whom employed at the time such trip is made, and return therefrom; said reimbursement being hereby expressly limited to one round trip for each regular, extra, or special session of Congress or of the Senate to and from said place of residence, for not to exceed one said clerk or assistant clerk, by the most direct route of travel, on vouchers to be certified by their respective Senators that such travel has been performed, and approved by the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate.

HERBERT HOOVER

Mr. OVERMAN. Mr. President, last Tuesday morning an article appeared in a leading paper of my State in regard to Mr. Hoover's transactions in Europe which was said to be libelous in character. That was followed up with an article last Sunday morning, which I ask to have printed in the RECORD, together with what purports to be a photostatic copy of the decision of the court rendered in London in the case referred to in the article.

The VICE PRESIDENT. Without objection, it is so ordered. The matters referred to are as follows:

[From the Greensboro Daily News, Sunday, February 26, 1928]

HOOVER FORCES DENY HE WAS DEFENDANT IN SUIT

WASHINGTON, February 25.—There is an impression on Capitol Hill, as well as among politicians, that more is to be heard concerning the article published in a weekly paper here, Politics, in which Secretary Hoover was represented as a defendant in a losing litigation in London 20 or more years ago, involving coal-mining properties in China. This bureau caused a reprint of portions of the article, and it was immediately resented by friends of Secretary Hoover, who declared last night that the article in question, among other things, was libelous, that Mr. Hoover had not been a defendant in the case at all, but a witness whose testimony had resulted in the restoration of the mining property to the rightful owners, the Chinese and German associates.

The suit had been a four-cornered affair, with two British firms, a Chinese firm, and Belgium group concerned, and Belgians having been interested the Hoover people have long been armed with a letter from the Belgian ambassador, declaring the course of Mr. Hoover to have been above criticism, and this letter was brought out and made ready for service shortly after copies of the Daily News came here yesterday afternoon containing extracts from Politics, which publication the Hoover forces have characterized as irresponsible.

It likewise appears, following the arrival of the Daily News in Washington, that a hurried conference of Hoover leaders was called, Secretary Work, field marshal of the Hoover forces, having been among those called into council. At the conclusion of this conference a Daily News representative was requested to make correction, or denial of the story that Secretary Hoover had been involved in the Chinese suit in an unpleasant way, and to give publicity to the letter of the Belgian ambassador, all requests that this bureau gladly complied with. A representative of the paper also accepted an invitation to visit the Department of Commerce to-day and look over a photostat copy of the London court records, which, it was explained, would make it all very plain that nothing had happened in the London courts to reflect disagreeably upon Mr. Hoover, that the record and court decision would disclose that Mr. Hoover had only appeared in court as a witness, not a defendant in the one-time celebrated, international case.

The Daily News representative did visit the Commerce Department, when gentlemen sitting next door to Secretary Hoover showed the reporter a brief prepared by attorneys for the Secretary of Commerce in which the case was explained in detail, and the assertion made by the law firm that Mr. Hoover had been guilty of no impropriety in his business dealings in China and London, and all reports to the contrary were characterized as "wanton defamation." Apparently this brief, along with the Belgian ambassador's letter, have long been in hand, ready for just such an emergency as appeared last night. There was a reiteration to-day of the statement of last night that Mr. Hoover had only appeared as a witness in the case in question, but no photostat or certified copies of the decision in the case were produced.

At the office of Politics, however, those in charge were somewhat more communicative when it came to records in the case. It was asserted that the article quoted by the Daily News was nothing more nor less than a digest of the decision of the court in the Chinese case, and that Mr. Hoover had, in point of fact, been mentioned as a defendant, not once but several times, and what purported to be a photostat copy of the London Times was produced, in which mention was made of the Chinese coal case. The decision of his lordship, Justice Joyce, chancery division, high court of justice, was published in the London Times of March 2, 1905. The Times called it a suit brought by His Excellency Chang Yen Moa against Bewick, Moreing & Co., H. C. Hoover, and others.

The court dealt rather severely with the defendants, and the point is, was Mr. Hoover among the defendants or was he present merely in the capacity of a witness? Friends of Mr. Hoover declare with great emphasis that he never at any time appeared as defendant or plaintiff, but merely as witness on the side of righteousness and justice. Critics of the Commerce Secretary declare with equal emphasis that the London Times's report of the court proceedings will be borne out by the opinion of court itself, and they hint broadly this court opinion—the full text thereof—will shortly be published, with a view to permitting the public to render judgment in the light of the court's decision. They aver that this decision will afford a complete answer to the question of whether Mr. Hoover was present as defendant or witness in this Chinese case.

By way of supplementing the London Times court report, and in contrast to the letter of the Belgian ambassador, the anti-Hoover camp to-night presented what they termed excerpts from the opinion of the London court. They thus quote the court: "Incidentally it appears by a letter of Mr. Hoover of March 22, 1901, that he actually took possession of some of the title deeds of the property by main force. Under the circumstances I am of the opinion that to allow the defendant company, while they insist on retaining the benefits of the transfer to escape from the obligations of the memorandum upon any such pretext that Hoover or De Wanbers were not authorized to agree to its terms, or that it was impossible for the defendant company to perform some of their terms without altering the constitution, would be contrary to one of the plainest principles of equity. It would be to sanction such a flagrant breach of faith as, in my opinion, could not be tolerated by the law of any country."

It is suspected that this is just the beginning of attacks to be directed against Mr. Hoover personally. If accusations of this kind are found to have little foundation in fact, they will redound, of course, to the advantage of Mr. Hoover in the preconvention campaign. Just now the politically inclined are awaiting the publication of the opinion of the London court in the Chinese case to determine, first, whether Mr. Hoover was numbered among the defendants, and, second, whether the court found fault with Mr. Hoover's conduct.

[From the London Times, Thursday, March 2, 1905]

High Court of Justice—Chancery Division

(Before Mr. Justice Joyce)

CHANG-YEN-MAO *v.* MOREING AND OTHERS

Judgment was given in this case this morning. It was an action by the plaintiff, his excellency Chang-Yen-Mao, to have it declared that a certain memorandum of conditions relating to the transfer of mining

property in China to a company called the Chinese Engineering & Mining Co. (Ltd.) was binding upon the defendants, and, in the event of its not being held to be so binding, for a declaration that the transfer of the property was obtained by fraud and ought to be set aside.

Mr. Levett, K. C., Mr. Gill, K. C., Mr. Younger, K. C., and Mr. G. Lawrence appeared for the plaintiff; Mr. Hughes, K. C., Mr. Rufus Isaacs, K. C., and Mr. G. F. Hart for the defendants, C. A. Moreing and Bewick Moreing & Co.; and Mr. Haldane, K. C., Mr. W. F. Hamilton, K. C., and Mr. Vernon for the defendant company.

The hearing occupied the time of the court for 13 days and will be found reported in the Times of January 19, 20, 25, 26, and 28, and February 1, 2, 4, 8, 9, 11, and 13.

Mr. Justice Joyce said: "This is an action by his excellency Chang and the Chinese Mining & Engineering Co. of Tientsin, whom I will call the Chinese company, asking for a declaration that a certain document called the memorandum of February 19, 1901, is binding on the defendants, and an order for the carrying into effect of the provisions of such memorandum. Alternatively, and in the event of such memorandum being held not to be so binding, for either a declaration that a certain other document called the transfer of February 19, 1901, was obtained by the fraudulent representations and fraud of the defendants or their agents and ought to be set aside, and an order that the same may be set aside accordingly, or a declaration that the defendants are not entitled to retain the benefits of the said transfer, except on the condition of making good to the plaintiffs the obligations imposed by, and performing the provisions contained in the said memorandum and such order consequent on such declaration as may be necessary for giving effect thereto.

"Then there is a general claim for damages. The transfer is a document which was drafted in English by Mr. White Cooper, a solicitor in Shanghai, who was brought over to Tien-tsin for the purpose. It is in the form of an indenture, expressed to be made between the Chinese company, his excellency Chang, as the director general of all the mines in the Provinces of Chi-li and Jehol, and director general of the Chinese company, and Gustav Detring, a director of the same company, of the first part, Mr. Hoover, as agent of Moreing, of the second part, and the defendant company, of the third part. It contains recitals of, among other things, a certain agreement of July 30, 1900, which I shall have to refer to again hereafter, and purports to be a conveyance in pursuance of that agreement of the mines and property of the Chinese company to the defendant company. No consideration was expressed, but it contains an undertaking by the defendant company to assume the liabilities of the Chinese company and indemnify such last-mentioned company therefrom. As to the nature, extent, and enormous value of the property comprised in this transfer I may refer, without reading it, to the speech of the chairman of the company at the extraordinary general meeting of that company held on July 16, 1901. A Chinese translation of this document, the principal party to which was his excellency Chang, who can not speak English and must be ignorant of our statute law in reference to joint-stock companies and English law generally, was made; and both the Chinese version and the English version were executed by the parties thereto other than the defendant company, being sealed with the official seal of his excellency as director general of the mines in the Province, and so representing the Chinese Government, and with the official seal of the Chinese company. The place of execution was Tien-tsin, in the Empire of China, where all the property which the transfer purported to comprise was situated. I do not know whether this document of itself operated as a conveyance of immovable property in China secundum legem domicilii. I have some reason to suspect that it did not; and I observe that the third clause, according to the English version, provides that 'the Chinese company and his excellency and Detring hereby agree with the defendant company to sign all other documents, and do all other acts that may respectively be required for completing the transfer to the Chinese company of all the properties hereby agreed to be transferred.' I have not been informed, however, what is the law of China with reference to any of the matters in question in this action. None of the parties has offered any evidence or made any allegation on the subject, though I have from time to time suggested that it might be required to be considered, and have rather invited argument upon it.

"The transfer was the outcome of protracted discussion and negotiations for the formation of the Chinese company into what I may call an Anglo-Chinese company to be formed in England, the principal objects in view being the better protection of the property of the company in the disturbed state of the country caused by the Boxer riots, and also the introduction of foreign capital for the development and more advantageous working of the mines. The parties between whom such negotiations took place were the defendant Moreing and his firm on the one side and on the other His Excellency Chang and the Chinese company by their director general, his excellency, who was also director general or governor of the mines of the Province under the Emperor. His excellency was from time to time assisted in the matter by Mr. Detring, a foreigner who had been long resident in China and had held some considerable office in the Chinese customs. Various stipulations had from the first been made by his excellency in reference to the constitution and administration of the proposed company into which the Chinese company was to be transformed. In particular it had been contemplated all along and definitely agreed that the capital of the new company should be £1,000,000 in £1 shares, and that of these £375,000 should go, quite properly, to the shareholders of the Chinese company as the price or part of the price of the property, subject to encumbrances that were to be taken over. There were to be two boards of directors, one in China and one in London. The management of the property in China was to be in the China board, and his excellency was to be director general as before in general charge of affairs. The defendant company was registered on December 21, 1900, by the Moreings, or a certain oriental syndicate which Mr. Moreing has associated with himself in the business, and to whom he in some way turned over the formation of the company, and, I suppose, its promotion and management. According to the memorandum of association, the first object, and I may say the principal object of the company, was to carry into effect, with such modifications, if any, as may be agreed upon, the agreement mentioned in clause 3 of the articles of association; and clause 3 of the articles of association provides that the company shall forthwith enter into an agreement in the terms of the draft, which for the purpose of identification has been initialled by two of the subscribers to the memorandum of association, and the board shall carry the same into effect, subject to any modification, and so on. Now, it is a somewhat curious circumstance that this draft has not been, and could not be, produced at the trial.

"I am not at all sure what it was, if indeed it ever existed. I omitted to say that at an early period of the negotiations, which I mentioned before—namely, in the month of August, 1900—the agreement I have mentioned of July 30, 1900, was executed. It purported to be a grant of an assignment in terms by Detring, as agent and attorney of the Chinese company, to Hoover, who was the agent of the defendant Moreing, upon trust, of all the property of the Chinese company, and it was thereby in effect provided, among other things, that Hoover should hold the property as trustee for the contemplated new company when formed. Now, His Excellency Chang, being urged by the defendants and the oriental syndicate, through their agents in China, including Mr. White Cooper, the solicitor from Shanghai, and also being advised by Detring, to transfer the property of the Chinese company to this defendant company, personally objected, and, as it has turned out very wisely, declined positively to execute the transfer when submitted to him because it did not contain any statement of the arrangements for which he had stipulated with respect to, among other things, the constitution and management of the new company into which the Chinese company was to be transformed. The document did not appear to him adequately to protect his Government or the Chinese shareholders or himself; and in this he was perfectly right. In particular, as I observe, it did not even provide for the 375,000 shares being given or paid to the shareholders of the Chinese company for the purchase of that company's property. Between his excellency and the agents of the defendants, including Mr. White Cooper, which agents also represented the oriental syndicate, as I consider, and its creature, the defendant company, there were long and heated discussions extending over four days. Hoover, as he himself admits, went so far as to use various threats to his excellency. Ultimately his excellency was induced with difficulty to accede to a proposal of Mr. White Cooper's, that the terms, on account of the absence of which from the transfer he declined to execute, should be embodied in another document, being the memorandum I have already spoken of, to be executed previously to and at the same time with the transfer. Under this arrangement his excellency was assured by the representatives of the other parties to the transaction that the memorandum would be, as it was expressed to be, the ruling document and be acted upon, or, in other words, would be binding and be carried into effect. It was upon the faith of and in reliance on these assurances that his excellency was induced to affix his seal to the two versions of the transfer.

"The memorandum in two versions, Chinese and English, was executed at the same time in the same manner by Hoover, the agent of the defendant Moreing, De Wouters, who I think, may be taken to have represented the oriental syndicate and the defendant company and every one interested through them, and it was also executed by his excellency and Detring. In truth the execution and terms of the memorandum appear to me to have formed not only a material but an essential part of the consideration for the transfer—if it was a transfer—of the property therein comprised. Mr. White Cooper, a member of the firm of English solicitors at Shanghai, who acted for the oriental syndicate and the defendant company, and prepared the draft of the transfer, as also the memorandum, attested the execution. After the present dispute had arisen, Detring, on behalf of the plaintiff or of his excellency, on July 25, 1902, made a representation of their complaints to Mr. White Cooper's firm at Shanghai, they being the solicitors to the defendant company; and these solicitors, replying on August 11, 1902, say, among other things: 'It was in order to maintain the rights of yourselves'—that is, Detring and his excellency—'and the Chinese shareholders that the agreement'—that is, the memorandum of February, 1901—'was made. This agreement was dated and signed on the same day as the transfer and recognized by Mr. Hoover and De Wouters

and ourselves as a binding agreement and a condition precedent'—that is not, perhaps, a very accurate expression—'for the transfer of the old company's property. The terms of this agreement'—that is, the memorandum—'should consequently be loyally carried out. Further, we note the position you and his excellency have taken up and will send a copy of your letter to the London board'—that is, the board of the defendant company—'by the next mail, leaving it to them to act as they think fit, and pointing out the serious consequences to the welfare of the company of their refusal to comply with your requirements.' Hoover, as appears by his evidence, is really of the same opinion; and De Wouters says that he executed the memorandum simply because it contained nothing but what had been agreed to before, which is true. Indeed, it has not been seriously disputed before me, and at all events I find as a fact, that the terms of this memorandum formed the basis and foundation of the whole arrangement, and were well understood by all parties to be an essential condition, whether as a collateral agreement or otherwise, of any transfer being made by the plaintiffs or either of them to the defendant company. I also find as a fact that the terms of this memorandum have not been observed or performed.

"As alleged by the statement of claim, not denied by the defense of the defendant company, and as proved by the evidence, the defendant company and its directors have declined to recognize the memorandum as having any force or effect or to abide by the provisions thereof, and they did this down to the time of the trial, although they had somehow managed to get possession of the property and were claiming it under the transfer. Incidentally, it appears by a letter of Mr. Hoover of March 22, 1901, that he actually took possession of some of the title deeds of the property by main force. Under the circumstances I am of opinion that to allow the defendant company, while they insist on retaining the benefits of the transfer to escape from the obligations of the memorandum upon any such pretext as that Hoover or De Wouters were not authorized to agree to its terms or that it was impossible for the defendant company to perform some of these terms without altering its constitution, would be contrary to one of the plainest principles of equity. It would be to sanction such a flagrant breach of faith as, in my opinion, could not be tolerated by the law of any country. In this court a purchaser of real estate, even though he may have obtained possession and an actual conveyance may have been made to him, will not be allowed to keep the property without discharging the consideration for the same. If authority be wanted for the existence of so natural and obvious an equity, I need only refer to Lord Eldon's judgments in the leading case of Mackreth *v.* Symons (15 Ves. 329). Both at law and in equity a person who claims under a deed, though he may not have executed it, must give effect to all its provisions; and for the purpose of applying this principle to the present case I am entitled, I think, if necessary under the circumstances, to consider the transfer and memorandum as practically one instrument. Nevertheless, the defendant company, not being able or not choosing to agree with his excellency and the Chinese shareholders as to the meaning and effect of the memorandum, or finding it inconvenient to fulfill its obligations, took up the position that, as they expressed it, vis à vis the defendant company the memorandum was of no binding effect; that the agents who obtained and executed the so-called transfer had no authority to enter into the memorandum, and so on; in short, the defendant company, the defendant Moreing being then a director, and, as he now says, overborne by his colleagues, repudiated the memorandum and set the plaintiffs at defiance; and thereupon the present action was instituted. In due course defenses were delivered, one by the Moreings and the other by the company.

"I do not consider it necessary to discuss these in detail. Suffice it to say that both, as I read them, dispute the memorandum, insisting upon every objection, whether well founded in fact or not, that could be raised to it, some of these objections, to my mind, being under the circumstances not very creditable. Ultimately his excellency and Mr. Detring, as I can not help suspecting somewhat to the disappointment of the defendants, came over to this country for this trial and gave their evidence before me. At length, after the evidence and cross-examination of his excellency were completed, and Mr. Detring, the other witness on the part of the plaintiffs, had been examined in chief and cross-examined on behalf of the Moreings, and in the midst of his cross-examination by the leading counsel of the defendant company, a remark of mine elicited the statement, then for the first time made, that the defendant company did not dispute the memorandum. Indeed, in my opinion, after the evidence that had been given, they could not have done so with the slightest prospect of success, or, indeed, as I think, honestly. But they began to suggest questions as to the construction or effect of the document and technical difficulties in the way of the plaintiffs' obtaining the relief which they claim in the action. Later on it appeared that the counsel for the Moreings also were not able, or, as they possibly would say, did not care, to dispute the memorandum. In other words, the memorandum is now (I may almost say admittedly) binding, as, indeed, it always was. This memorandum, however, does not, in my opinion, either with or without the transfer, constitute a contract of such a nature as this court could decree specific performance of. I can not directly order that it should be carried into effect, and I think there would be great difficulties in the way of the plaintiffs' maintaining an action for damages upon it against any of the defendants. But I hold and declare that the memorandum dated February 19, 1901, is binding as against the defendants, and that the defendant company was not, and is not, entitled to take or retain possession or control of the property comprised in the transfer or the benefits thereof without complying with and performing the provisions and obligations contained in the memorandum. In other words, I am of the opinion that, unless within a reasonable time the provisions and obligations of the memorandum be complied with and performed, this court ought to do what it can to restore to the plaintiffs the mines and property the subject of the transfer, and, probably by injunction if necessary, to prevent the defendant company, its agents and servants, from retaining possession. The plaintiffs, therefore, succeed upon the principal issue in the action, and, in my opinion, are entitled to their costs. I now proceed to consider the plaintiffs' claim to damages.

"The defendant company has all along claimed, and still claims, to have acquired all the property of the Chinese company by virtue of the transfer of February 19, 1901, expressed to be made in pursuance of the agreement of July 30, 1900. Nevertheless, by an agreement dated May 2, 1901, nearly three months afterwards, and expressed to be made between the oriental syndicate of the one part and the defendant company of the other, the whole of whose nominal capital was £1,000,000 in £1 shares, the syndicate affect to sell to the company the benefit of the aforesaid agreement of July 30, 1900, for a purchase consideration of 999,993 of these 1,000,000 shares to be allotted as fully paid up to the syndicate or their nominees, and the sum of £2,000 and odd in cash, being the amount of the fees paid by the syndicate on the registration of the defendant company. This agreement of May 2, 1901, was sealed at a meeting of the board of the defendant company held on the 25th of the same month of May. At that meeting 50,000 of these shares are allotted as fully paid up to the defendant Moreing and 150,000 as fully paid up to the oriental syndicate, and it was resolved that the board agree to allot to the nominees of the Chinese company 375,000 shares. These, of course, were for the shareholders of the Chinese company, and then (this is the extraordinary part of it) to the nominees of the oriental syndicate 424,993 shares—that is, all the rest of the capital, deducting the seven shares required for the signatories of the memorandum of association. I think these 424,000 and odd shares are not in the minutes, if I recollect rightly, expressed to be fully paid up, but as I understand they have been always so treated and dealt with. Now, the plaintiffs, very naturally, complain of this transaction. Suppose it be granted that the 50,000, and even the 150,000 (making together 200,000 shares) were to go for promotion profits—if, indeed, that were allowable—why were 424,993 fully paid-up shares of the company to go among the nominees of the syndicate for no consideration that I have been able to discover? In short, it appears to me upon the facts that transpired in the course of this trial, that there are at least plausible grounds for contending that the defendant company has been defrauded of nearly 425,000 shares, to the injury and loss of the Chinese shareholders, who were justly entitled to the 375,000 shares. These shares, as I understand, are not of a merely nominal value, but are being or have been sold at a price above par; for the plaintiffs say, and it seems to me with reason, that the value of the 375,000 shares coming to the shareholders of the Chinese company for the purchase of their property, undoubtedly of great value, is substantially—it may be to the extent of one-half—reduced by the issue, for no consideration whatever, of these fully paid-up shares to the promoters or their nominees.

"The defendants have endeavored to excuse the promoters by saying that of these shares 250,000 had been given as a bonus or additional consideration to persons who subscribed £500,000 to the company upon the security of debentures, which debentures were issued without the consent or knowledge, so far as I can make out, of the Chinese shareholders. The plaintiffs reply that it was not necessary to issue nearly so large an amount of debentures, and that of the money so raised, £200,000, or thereabouts, has never been expended, but is still to the credit of the defendant company with their bankers, and also that the money, if required, could have been obtained without sacrificing the shares. No offer of the debentures was made to the public, but the promoters, as I understand, distributed the shares and allotted the debentures among themselves and their friends, who I suppose still hold the debentures and the 424,993 fully paid-up shares, for which nothing has in fact been paid. Now, certainly, the proceedings of the board of directors of the defendant company, in the month of May, 1902, are of a remarkable nature, though I do not pretend to have given a complete statement of all the facts. They have not yet been fully investigated. At all events, it seems to me I can not set the matter right in this action, which was not framed and is not properly constituted for the purpose. The only materiality in this action of the apparently unauthorized issue of fully paid-up shares is that it is put forward as a ground for a claim to damages made against the defendant Moreing in respect of the consequent diminution in value of the 375,000 shares going to the shareholders of the Chinese com-

pany. But this claim, as it appears to me, if it could be dealt with in this action, must be founded upon a breach of the terms of the memorandum, which was no doubt executed by Hoover as agent for the defendant Moreing. I do not, however, find in the memorandum any contract by the defendant Moreing that no shares shall be issued as fully paid up, nor indeed do I see anything to prevent fully paid-up shares being issued by the defendant company bona fide for a proper purpose and a proper consideration. Nor do I see how the Moreings are directly responsible to the plaintiffs for the improper issue of fully paid-up shares to the oriental syndicate or its nominees (if such issue was improper); in other words, I do not think I am able to make the defendant Moreing, or his firm, responsible in this action for any loss sustained by the plaintiffs through the misfeasance of the directors of the defendant company or of the oriental syndicate as promoters of the defendant company. But my judgment in this action must be expressed to be without prejudice to any action or other proceedings that may be taken by or on behalf of the defendant company, or against any of the defendants by anyone in reference to the promotion or formation of the defendant company, or the issue of any shares or debentures thereof or any of the transactions of the same company or its directors.

"Counsel for the plaintiffs, in opening the case, asked me to make certain amendments, which I allowed; these appear in the amended statement of claim as printed. Subsequently—in fact, upon the thirteenth day of the trial—after all the evidence had been taken and in the midst of the summing up of the case for the defendants Moreings, by their counsel, the plaintiffs for the second time asked to amend by alleging that Mr. Detring (I suppose as agent of the plaintiff Chang) was induced by the fraudulent representations contained in a letter of November 9, 1900, from the defendant Moreing to Mr. Detring to agree to make certain alterations; in truth, really to agree to reexecute with alterations the document I have mentioned more than once of July 30, 1900. What happened with respect to these alterations is a long story, but not, I think, directly material in this action, though it may be most material upon some future occasion. As at present advised I do not think that these alterations, made at the time and under the circumstances when they were made without the concurrence of the defendant company, can be of any validity, nor am I satisfied at present that the plaintiffs have sustained any damage thereby. No one has contended before me that these alterations are binding upon anyone. It was also proposed to allege by the same amendment that his excellency was induced to execute the transfer of February 19, 1901, by fraudulent representations contained in a letter of February 9, 1901, from Hoover, who is not a defendant but was an agent of the Moreings, to Mr. Detring. Having regard to the concluding words of paragraph 17 of the amended statement of claim, I am not quite sure that this claim for damages was intended to be made unless the memorandum were held by me and not to be binding. But how have the plaintiffs sustained damage as a necessary or natural consequence of the execution by his excellency of the transfer, if the memorandum be binding and be enforced, as I hold it must be? Upon the whole I think that I ought not to allow these proposed amendments; but my judgment will be without prejudice to any future action or other proceeding that may be taken by the plaintiffs, or either of them, upon the ground of any alleged misrepresentations (fraudulent or other) in either of these two letters. There remains only one other claim for damages, which is a claim by His Excellency Chang against the defendant company for damages on the ground of his excellency's having been, as it has been expressed, deprived of a valuable appointment, which means, I suppose (if it means anything), on the ground of his not getting an appointment, in pursuance of the memorandum, of director general in China of the defendant company with the same powers and emoluments as he enjoyed in the Chinese company before February 19, 1901.

"But I do not understand that his excellency is not still director general of the Chinese company. The claim, if it can be supported, is for damages in respect of a breach of a particular clause in the memorandum. Besides other difficulties, to give these damages would, as it seems to me, be inconsistent with the other relief which I am granting in this action. I am assuming that as a consequence of my judgment the terms of the memorandum will be performed or complied with in their entirety; otherwise, if I am right, the defendant company will not be allowed to retain the property. Certain accounts may have to be taken, and the defendant company may be entitled to reimburse their expenditure, or part of it, so far as not provided by means of moneys received from the mines. I shall reserve any question of damages that may arise in respect of any default or delay in the performance of the obligations and provisions of the memorandum until it be seen what is the result of my present judgment. The defendant company must pay the costs of the plaintiff. The defendants Moreing, who were necessary parties to this action as against the company, having regard to their course of conduct and the attitude which they have maintained until a late period of the trial, and to the fact that in my opinion the costs have been seriously increased by their conduct in these proceedings and otherwise, must bear their own costs. I think perhaps I ought to add one other observation, which is that, in the investigation taken before me of the transactions in question, it has not been shown to me that His Excellency Chang has been guilty of any breach of faith or of any impropriety at all, which is more than I can say for some of the other parties concerned."

FEDERAL INTERMEDIATE CREDIT BANK INVESTIGATION

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Charleston (S. C.) News and Courier relating to a resolution which I introduced day before yesterday calling for an investigation of the administration of the affairs of the Federal intermediate credit bank in Columbia.

The VICE PRESIDENT. Without objection, it is so ordered. The editorial is as follows:

SHOULD BE PRESSED

The resolution introduced in the United States Senate by Senator BLEASE for the appointment of a subcommittee to investigate the administration of the affairs of the Federal intermediate credit bank in Columbia deserve approbation and the interest of the whole country demands its adoption.

It is far from certain that the whole story of the transactions of 1925 and 1926 in Beaufort have been or will be told in the courts. It has come to light that in Beaufort a State bank has failed, an association of farmers has gone into bankruptcy, and that a tremendous sum of money was borrowed from the intermediate credit bank 130 miles away in Columbia.

It has been said that the dealings of the intermediate credit bank with the group of planters in Beaufort were on a larger scale by far than they have been with farmers' associations in general.

One would like to know whether the Federal banks of this nature in other parts of the United States have had immense transactions with a single farm association?

The crash in Beaufort came with a suddenness for which the public was wholly unprepared and disregarding all considerations of where the fault lay the fact remains that agricultural operations have been left in Beaufort in a sadly demoralized and precarious state. The News and Courier does not suggest that the credit bank in Columbia has deviated in the least degree from legal prescriptions; that is a subject of which it knows nothing, but the bank was organized to assist the farmers and it can not be disputed now that the Beaufort district would be in a condition far better had the intermediate credit bank act not been passed by Congress.

The proposed investigation should inquire whether or not the intermediate credit banks are serving the end for which they were established and if they are not the Congress should abolish them.

The history of events in Beaufort the last two years furnish abundant reason to make the investigation suggested by Senator BLEASE advisable. These banks are an experiment, an experiment entered upon by Congress, and it is the business of Congress to watch it.

The investigation should be pressed.

MOTOR TOURISTS IN SOUTH CAROLINA

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD an article taken from the Charleston (S. C.) News and Courier relative to motor tourists in South Carolina and the South.

The VICE PRESIDENT. Without objection, it is so ordered. The article is as follows:

MOTOR TOURISTS FLOODING

(Editorial correspondence)

AIKEN, February 25.—This city, named for a Charlestonian, seat of the United States District Court in Western Carolina, far famed for its winter colony of wealthy eastern people, is in United States Highway No. 1. This route enters South Carolina near Cheraw and proceeds through Camden and Columbia. For several years it has been rated the most popular route between the Eastern and Middle Atlantic States, and the Florida resorts.

Through Aiken, on to Augusta, thence southward, in the late fall and early winter, pours a flood of motor tourists; in the late winter and early spring the movement is in both directions. Motor licenses from "all over" are on streets and highways. Local hotels and boarding houses are doing a turn-away business. The town is full and overflowing.

Towns on this highway have been catering to this motor tourist business. They issue maps and they issue instructions. Their folders tell of the attractions of the towns and of their facilities for visitors. They limn a pretty poster. They are broadcast in Eastern and Middle Atlantic States and they are broadcast in Georgia and Florida towns. In short, towns on United States Highway No. 1 are, and have been, investing generously in direct advertising, and they have built up a system of practical cooperation.

Another winter the Coastal Highway, conceded to be the most direct, the most attractive, and the most convenient route between the New

England States and the Keys of Florida will be the only all-paved route. Over it will begin to flow a great stream where until now there has been little more than a dribble. In course of time the practical advantages of using this all-winter, all-season highway will become known throughout the land; meanwhile, towns on the route need to coordinate their activities in directing attention to the way.

If towns on the Coastal Highway and hotels on the Coastal Highway scatter their folders independently, they will lose the greater part of their effort. If they would achieve maximum results they must concentrate and labor together in a common cause. Towns on United States Highway No. 1 furnish excellent maps and charts about themselves; Charleston, Savannah, Walterboro, Florence, and other towns on the Coastal Highway are not shown on any of these maps, except in pointing out laterals from the main No. 1 highway.

Towns on the No. 1 highway are not called upon to advertise towns on the Coastal Highway, a competitive route. If towns on the Coastal Highway wish to spread information about themselves, they will have to do as towns on the No. 1 highway are doing—broadcast folders through cooperation. Proper effort will hasten the growing volume of traffic over the all-paved route. The Coastal Highway will advertise itself through its advantages and its attractions, but towns which hope to benefit from a motor-tourist traffic need to accelerate the fame of their incomparable route.

Added to the picturesqueness of many stretches on the Coastal Highway, added to the high excellence of the pavements, are scores of Colonial and Revolutionary relics. In the Charleston zone, the Middleton Place and Magnolia Gardens furnish an attraction of rare value. Summerville in the early spring is a fairy bower, the whole village radiating loveliness. These features are important, but there are scores of other things of interest to highway travelers who are not in a hurry.

T. P. L.

ADDRESS OF SENATOR FESS, OF OHIO

Mr. CAPPER. Mr. President, I present an address delivered by the junior Senator from Ohio [Mr. FESS] at the anniversary of the birth of George Washington, celebrated at Washington, D. C., on February 22, under the auspices of the District of Columbia Commissioners and the District of Columbia Federation for Patriotic Observances. Senator FESS was the author of the resolution creating the George Washington Bicentennial Commission, vice chairman of the commission, and chairman of the commission's executive committee. He spoke of the plans and hopes of the commission in the address to which I have referred. I ask, on behalf of the commission, that his address be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The address is as follows:

Mr. Chairman, General Pershing, distinguished citizens, ladies, and gentlemen, the George Washington Bicentennial Commission has an ambition to make the two hundredth anniversary of the Father of his Country one of the most notable occasions in the history of America. One year ago to-day the President of the United States, in accordance with a resolution of Congress adopted two years before, delivered an address to the American people which was heard by the people of two continents upon the significance of the character of this leader, and also the significance of the coming celebration in 1932.

For the past three years the commission has been seeking and receiving suggestions from various sections of the country as to the proper character, or the most fitting celebration to be held. The commission hopes that we may have the cooperation of all the States, through State commissions yet to be appointed, in many of the States commissions having already been appointed.

A representative of the commission, a distinguished scholar, formerly of Harvard, has been in various parts of the country and also in England. He has visited every locality connected with the Washington family in the mother country, and with probably one exception, has an unbroken link of lineage running back 16 generations. He has linked up the American Library Association in an effort to stimulate popular interest among the people of the country, including the schools of the country, by the supplying of lists of readers, or a list of books, graduated to the various grades of school, so that there may be a more effective effort on the part of our youthful population to read more generally the life and character of this great man.

And there has been an effort also, in the appointment of advisory committees, representing the leadership of all activities in the Nation, in the work of promoting public opinion, including the various patriotic societies, here represented, and those elsewhere, and also including the various clubs—service clubs, patriotic clubs, and clubs of various character, in the hope that there may be a general federated effort, so that by 1932 the entire country may be studying in a sympathetic way this great leader. It is the ambition of the commission, that beginning with next year, a year from to-day, there will be set in motion a series of celebrations reaching the climax in 1932—having one each in 1929, 1930, 1931, and 1932. It is hoped that those places where Washington was distinguished, like, for example, Valley Forge, Trenton, and other places where great events took place in the Revolutionary War, will have special programs of celebration.

The commission has an ambition to make something permanent when the day is over. It, therefore, has recommended and asked Congress to authorize a definitive publication of the complete works of Washington, never yet undertaken. The Sparks edition is long ago out of print, and never was complete. The Ford edition, which was an improvement on the Sparks edition, omitted the general orders of Washington. There are many manuscript letters, state papers, utterances, and also general orders of Washington, that never have reached print, although they are in manuscript.

Congress is asked to authorize a complete publication for the first time of all the utterances of significance of our first President, in an edition of about 22 volumes; and then, in addition, the historian is asked to edit a series of Washington books, to be known as the "Washington series," covering the various activities of this great leader—Washington, the statesman; Washington, the soldier; Washington, the business man; etc., covering about 15 volumes.

This will probably cost $300,000, a very small sum as a contribution to the work that never yet has been undertaken, and that this Government ought speedily to undertake and complete.

Then, it is the hope of the commission that there will be some permanent physical memorial, in addition to those already established. Just what form that will take I am not in a position now to suggest, as the commission has not been a unit upon what the recommendation will be.

I am thinking at this moment of the reasons for these undertakings—whether it is justified that the Government assume such a stupendous undertaking in the interest of this leader. I think it is entirely justified, on the basis of the utterances announced by the distinguished chairman to-day, where we are attempting to give emphasis to the American ideals that were so splendidly embodied in this great character.

We know him familiarly as the great soldier of his day. Nothing more need be said about that. We know him as the exemplar, as a citizen held out to the world as an example. This example is the common heritage not only of America but of all the world. We know him as a most successful business man of his time, possessing in his own right over 60,000 acres of land; owning along one river a frontage of over 4 miles, to say nothing about his rich possessions here in and about what now is the Capital City.

We know him as a powerful and dominating personality. We know him as a leader among men, especially in the line of statesmanship, his greatest influence and most important service; and, if it were proper and time would permit, which it does not, it would be delightful to mention his service in making possible the development of the great empire west of the Alleghenies, to whom we owe more than to any other man or group of men.

It would indicate his tremendous power in leadership as he presided over an aggregation of 56 men that are rightfully known to be one of the most distinguished aggregations of leaders that were ever assembled in one place in the history of the world.

But the thing that I want to impress upon you in the brief time allotted to me is an item in his life that has a world significance that is not properly appreciated. All past history in the efforts of government is a struggle between authority in the interest of law and order, on the one hand, and liberty, in the interest of the largest development of the individual, on the other. The major portion of the history of civilization, so far as government is concerned, is detailing the struggle between the efforts on the part of the government for order and the efforts on the part of the individuals to maintain unhindered liberty in the interest of strong development.

The two things have always been in conflict and people sometimes assert they are contradictory; that you can not maintain authority and at the same time enjoy liberty; that if you do exercise liberty, it is in that degree a denial of authority; and therefore, if liberty is of value, government can not interfere with it.

Then, on the other hand, there are those who believe that the greatest contribution to modern civilization is government—the exercise of power, of authority.

Ladies and gentlemen, the history of the world shows that whenever there was exercised too much authority and there was enjoyed too little liberty, the result was despotism; and whenever there was enjoyed too much liberty at the expense of authority, it was anarchy. When too much liberty was given to the free cities of Greece, Greece went down in anarchy. When too much authority was exercised by Rome, Rome went down in despotism. The struggle in history has been to reconcile the two so as to exercise needed authority in government, and yet not deny the essential liberty in the citizen or in the part of the nation.

That has been the progress of the race in the approach to the form of government that we now enjoy. It failed in the Old World. An effort was made to solve it in the Teutonic nations with some degree of success, and also in the Anglo-Saxon system of modern government as we saw it in the mother country.

But never until the American Republic was established were we on the high road to a complete solution. After 100 years of training

ground in every Colony of the 13 where we were attempting to employ self-government, in which liberty was recognized as well as authority, we came into the efforts of the federation of all the 13 Colonies under our Constitution.

Here, ladies and gentlemen, sitting in one room, the 56 leaders of the world announcing a theory of government, there was shown the sharp demarcation between those who emphasized authority and those who emphasized liberty.

And at a moment of crisis after three weeks of contention a delegate arose and made a motion to adjourn the convention. That was the only occasion where Washington spoke, from May 25 until September 17, the duration of that famous Constitutional Convention. Upon the motion to adjourn this Godlike figure presiding over that convention arose and said, "If we should take a position now that we can not indorse, what will be our attitude when we return home to make a report? Let the standard be lifted so high that all the good can repair to it. This is not the work of man—the hand of God is in this thing." And he asked the mover to withdraw the motion to adjourn, which was done. [Applause.] And the convention went on.

And I wonder what would have been the outcome had that convention adjourned at that time? The convention proceeded. It gave us the Federal Constitution. That Federal Constitution was designed to carry into effect the principles of the Declaration of Independence. As the Declaration of Independence is the finest expression of liberty in government, and as Thomas Jefferson, its author, was the greatest exponent of liberty in government in history, so the Constitution is the finest expression of authority in government, and Alexander Hamilton, its defender, was the greatest exponent of authority in government in the history of the world. [Applause.] While the Constitution proper is Hamiltonian, the bill of rights appended to it is Jeffersonian.

Both of these leaders, advocates of the respective views, needed the mollifying influence of the leader above them. For, had Hamilton had his view, so that there would have been authority without liberty, it would have been an approach to despotism; and had Jefferson had his view, so that there would have been liberty without authority, it would have been an approach to anarchy. Either extreme would have been dangerous. Both principles are essential, but each must be modified by the other.

And here is where America and the world owe their greatest debt to George Washington. Presiding in that convention, listening to the presentation of the arguments, able to judge as an expositor instead of as a mere advocate, he could see both sides and detect the danger of each as well as recognize the value of each. Therefore, through that masterful personality these conflicting leaders were held together until they had worked out the great problem.

Please do not misunderstand me. Jefferson was not in the Constitutional Convention; he was in France. But he was in communication with the representatives who believed in his theory, such as James Madison and others.

Then later when, by unanimous consent, George Washington was called to be the first President to inaugurate in government the principles under the Constitution, seeing the value of both of the schools, he took into his Cabinet Alexander Hamilton, the representative of power, and Thomas Jefferson, the representative of liberty [applause], and inaugurated into the new Government both of these principles. For, while the two were seemingly irreconcilable, Washington held that there is no liberty without authority; as there can be no authority without liberty. [Applause]. The two are essential.

There, ladies and gentlemen, is the great contribution of General Washington to the history of the world. That was in 1789 that he inaugurated these principles. We have had conflicts—one conflict that even swept the Nation into the strife of Civil War, over the dispute between the two theories. But wisely, under the leadership of Lincoln, a leader in character and scope of comprehension not unlike the first great leader, we came out of the Civil War without the loss of liberty and without the breakdown of authority. [Applause.]

And to-day, nearly 200 years after the birth of this great leader, behold the product of his leadership. One hundred and twenty million people—the happiest, the best cared for, the greatest in the general share of the comforts of the world, in the history of all the world. And never before has the American system been stronger than it is in 1928. [Applause.]

And during these years all over the world there has been a gravitation away from the monarchical forms toward the democratic forms. Look the world over—South America, Europe, even Asia, gravitating year by year toward accepting the form of government inaugurated by General Washington here in America.

The World War caused some setback, and I regret to say that in some of the countries of Europe, probably in six if not eight, there is a retrogression toward what we call a dictatorship. That is not American. That can not be done in America. [Applause.] Here in America we never will lose sight of the importance of necessary authority in the interest of order, but we never will sacrifice essential liberty on the altar of despotism—never. [Applause.]

And after the World War, here is America coming through the fires of that crisis under the leadership of the great general who honors us to-day with his presence, doubtlessly stronger than ever before. And I here and now declare that it is pertinent and altogether appropriate that this country should set the plan of a proper recognition, not only as a figure in America but as a figure in the government of the world, of the exemplar of the foregoing principles, familiarly known as "First in war, first in peace, and first in the hearts of his countrymen."

It is a fine thing, in the mad rush of business and commercial progress as we see it to-day, to lay aside for a little while the industrial activity, so all absorbing in modern life, and think upon these things which we owe to George Washington, our first great President. [Applause.]

PUEBLO INDIAN LANDS

The VICE PRESIDENT. Morning business is closed. Pursuant to the order of Friday last, the Chair lays before the Senate the amendment of the House of Representatives to the bill (S. 700) authorizing the Secretary of the Interior to execute an agreement with the Middle Rio Grande conservancy district providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands in the Rio Grande Valley, N. Mex., and for other purposes. The question is on agreeing to the amendment reported by the Committee on Indian Affairs to the House amendment.

PROGRESS OF TRANSOCEANIC AIR NAVIGATION

Mr. BINGHAM. Mr. President, I desire to make some observations in connection with the successful flight which has just been completed by the Navy's rigid dirigible *Los Angeles* between Panama and New York.

Quite a number of Senators have stated to me their belief that we ought not to have rigid dirigibles. I agree with them so far as the Army is concerned, but the great flight made by the *Los Angeles*, bringing the Panama Canal within 38 hours of New York, comes to us as an apt reminder of the importance of airships in naval and commercial aeronautics, particularly as regards transoceanic flights. Never before has the distance between the site of that great work of American engineering and the metropolis on the Atlantic coast been spanned in less than thrice the time consumed by the *Los Angeles*. No vehicle of regular commercial transport has ever covered that route on a scheduled time of less than a week, as against a day and a half for this great airship of characteristically commercial design.

It will be remembered, Mr. President, that we secured the *Los Angeles* from Germany after the war with the stipulation that we were not to use her for military purposes. She is fitted out as a commercial airship, although operated by the Navy. She is used for experimental and training purposes. She is the only rigid dirigible in America to-day.

In our sincere admiration for the great achievements of Colonel Lindbergh and of those other bold and skillful pilots of airplanes who have made flights of great daring and difficulty, we should not forget that the airplane does not stand alone as an instrument of aerial navigation in commerce and war. The airplane has its own field; it does its appointed work; it is of vast importance; but in regular operation, either for civil transportation or upon military errands, it is subject to certain limitations which make it essentially a vehicle of comparatively short range. Never yet has any man made a nonstop journey in a heavier-than-air craft over a distance exceeding 4,000 miles, and for economy and assured success in regular employment it is necessary that the distance to be covered in a single flight be not above 1,000 or 1,200 miles, and far preferable, especially in commercial service, that it should not exceed 300 or 400. For services over land and over stretches of water of moderate extent, and for military and naval operations not requiring voyages of enormous length, the airplane daily proves itself ideally suited. When oceans must be spanned with regularity, or when aircraft must be turned to naval employments requiring the constant surveillance over long periods of suspect areas far from friendly bases, the airplane is no longer capable of doing the work alone. Under those conditions it finds its necessary complement in the rigid airship.

Between the airplane, dependent for its lift upon the rapid forward motion of its wings through the air, and the airship, securing static buoyancy from the gas which fills its hull, there need be no rivalry. They are natural adjuncts. Improvements in either type do not lessen, but rather reinforce, the usefulness of the other. Only when they are used in conjunction, with each filling the gap left by the other, with the airplane in intensive service over routes interrupted by stopping places at reasonable intervals and with the airship accomplishing the long, unbroken voyages over ocean and desert, can we secure the full commercial benefits of aerial navigation. Only if lighter-than-air craft and those heavier than air be employed jointly and in harmony can we feel that aircraft are making their full potential contribution to our national defense.

The validity of these conclusions is receiving general recognition among the other great nations of the world. They are committing themselves, with but few exceptions, neither to airplane nor to airship, but to a nicely proportioned combination of both. Great Britain is actively engaged in the execution of a great rigid-airship program. So, too, under somewhat different conditions, is Germany. The Italian Government is enthusiastically proceeding with the design and construction of new and improved ships of the moderate-sized semirigid type upon which that country has specialized and which are adapted to its peculiar geographical position and needs. In Japan and elsewhere the airship for commerce and the airship for military employment are the subject of constant study either through the medium of native designs and construction or of the purchase from abroad of craft representing an advanced stage of the art of airship design.

The experience of Great Britain is one which we may observe with special interest, for in many respects it has resembled our own. It is natural that we should share an interest in a type of aerial vehicle peculiarly suited for use over those broad seas which are the carriers of our trade. The point of view of our commerce is an intercontinental or transoceanic one, and we, like the British and the people of other countries having a great overseas trade, should feel ourselves obligated to take advantage of every progressive step in facility of intercontinental communication and transport.

The serious development of British rigid airships, leaving aside one or two early and abortive experiences, began in 1915, when observation of the usefulness of the Zeppelin ships attached to the German naval service moved the British Government also to undertake a naval airship program. Fourteen ships of varying size and type were constructed and operated during the war and immediately thereafter, with varying degrees of success, but with no serious mishap. The preliminary experiments made in England between 1917 and 1920 paralleled in a general way the experience which we ourselves acquired in the construction and early operations of the *Shenandoah* some years later.

In 1920, under the spur of the Government's economy policy, Great Britain abandoned airship development entirely. The existing program was annihilated and the existing airships were laid up in dead storage in their sheds. Plans for laboratory research were ruthlessly suspended. Great Britain had turned its back upon the airship in such a manner as to give every indication that the renunciation was intended to be permanent. Never has there been any serious suggestion from any quarter in this country of so utter an abandonment of that type of aircraft.

Time, and perhaps the observation of continuing American airship operation, convinced them that a mistake had been made. Notwithstanding what must have appeared as a very strong argument in favor of abandoning airship development furnished by the Nation's sorrow over the joint American and British tragedy of the *R–38* or *ZR–2*, in the collapse of which 16 American and 28 British lives were lost, in 1923 the airship activity was resumed and two successive British Governments, with different air ministers, have pressed it vigorously forward. There are being built at a cost not exactly known, but certainly of several million dollars, two airships, each of 5,000,000 cubic feet capacity, each nearly twice as large as the *Los Angeles*. They are now nearing completion. We have been assured that one of them will make its first trial flights within the next four or five months and that it is expected shortly thereafter to go into regularly scheduled service on long routes. The ships are fitted with elaborate accommodations for the comfort of the passengers, with staterooms, promenade decks, and stately and spacious dining saloons, and it is anticipated that they will be able to reach India from England in less than five days in normal operation, or to cross the Atlantic in 60 hours, carrying a hundred passengers. The confidence with which their future commercial utility is viewed has been evidenced by the British Government and by a great part of the press and public which has given attention to such matters. They stand on the threshold of commercial employment because of the far-sighted and courageous action which the British Government took in reversing itself and resuming researches upon airships and embarking anew upon their actual construction four years ago. In the building and operation of large airships we should start, even if we delayed not another day, handicapped to the extent of those years of operating experience represented by our delay in initiating the new construction program.

The Germans, the pioneers of the airship world, who have had greater opportunity to observe the merits and the defects of rigid lighter-than-air craft than have any other people in the world, have been relatively no less active. Delayed for a number of years in inaugurating their postwar program of construction by the regulations made under the treaty of Versailles, they no sooner secured remission of those restrictions than they set to work with new zeal in the Zeppelin factory. Although the airplane has been by no means neglected in that country, airplanes under German management crossing and recrossing central Europe on regular air lines each day, they have not committed the error of supposing that the airplane could replace the airship. Great popular enthusiasm attended the launching of a project for a new Zeppelin ship of 4,000,000 cubic feet displacement, half again as large as the *Los Angeles*, and the ship is now nearing completion, and will go forth for its first flights during the coming spring or summer.

The new German ship, like those under construction in England, is evidence of a confidence on the part of those who know airships best through longest experience that they need no longer be regarded with doubt. Regular commercial operations are evidently considered by the Zeppelin organization to be just around the corner, and plans for an airship service between Spain and Buenos Aires, and possibly other South American points, are reported to be already well advanced.

It is significant, and it would be ominous for us if we were to continue our inaction in the field of rigid airship construction, that the greatest optimism is felt in those countries in which there has been the largest amount of past experiment with such ships and from which, therefore, the most reliable judgment might be expected. There are three countries in which rigid airship development has been the subject of intensive effort at some time in the past. Of the three, Germany has been most persistent and has built the largest number of ships, and German enthusiasm for the future of the airship is not open to doubt. Great Britain ranks second in extent of past activity in that field, and the British Government is now sparing no effort to make up for the time lost when operations were interrupted. We alone among the countries of the earth with past experience in rigid airship design and operations are not at present actively engaged upon any new construction. Already we have lost some two or three years in the race to complete airships large enough for regular transoceanic operation, but our delays need not be further extended.

On the basis of two unhappy experiences—the collapse of the British *R–38* with a number of American officers and men on board and the loss of the *Shenandoah*—we as a people have fallen into a serious misapprehension. There has grown up a widespread belief that the history of airships has been a long tale of failure, and that total wreck has been their ordinary fate.

Nothing could be further from the facts. Of the 138 rigid airships built in Germany by the Zeppelin firm and its rivals in the field during 25 years and operated by German personnel, not one ever failed structurally during a flight. I do not include the *Dixmude*, taken over by France after the war, which disappeared in flight in December, 1923, its fate still a mystery. Of 14 ships built and operated in England during and after the war, only one, the *R–38*, met that fate. It is tragic that there should ever have been even one or two collapses with great loss of life, but engineering science is not upon a basis of such absolute certainty that there can be complete assurance against such mishaps in the development of new applications. Structural failures have occurred repeatedly in ocean ships and occur occasionally even to-day. They have been not unknown even in great bridges, but failures are fortunately rare, and as the art of the engineer continues to advance with increasing experience they become progressively less likely. The lessons learned in the breaking of the *R–38* and the *Shenandoah* have in themselves pointed the way to a large measure of insurance against a repetition of those catastrophes.

With structural failure recognized as the extreme rarity that it is, it becomes a matter of great interest to us in the determination of our own policy toward airships to survey the record of what they have done and of the perils to which they have been subject.

Mr. President, I regret that these facts which I am presenting do not command the attention of more of the Members of this body who are interested in the public defense and in our overseas commerce. The very fact that we show so little interest in the subject is due to a misapprehension of what has been done, and points, it seems to me, to the necessity of our studying the case in order that we may not make in the future mistakes similar to those made in the past, and in order that we may not go on blindly without providing in this country for an industry to construct rigid airships and for more training in the navigation of rigid airships.

Of 117 airships built by the Zeppelin Co. in Germany and 21 produced by the Schutte-Hanz group, 45 were dismantled as obsolete while still in operating condition or were surrendered after the armistice or destroyed at that time. One, the *Los Angeles*, is still in active, continuous operation. Of the remain-

ing 92, more than half were destroyed by allied gunfire or by bombing of their hangars, or had to be landed in neutral or allied territory where the crews were taken prisoners or interned. Several ships, especially among the early ones, were either burnt in their hangars as a result of the use of hydrogen or damaged in handling on the ground because of unsatisfactory handling methods, now much improved, or inexperienced crews, hastily recruited and trained under war conditions. Of the 138 ships there were but two, not counting those shot down by allied airplanes or by fire from the ground—and excluding the *Dixmude*—which met with mishap in the air, wrecking the ship and causing extensive loss of life, and of those two mishaps one occurred in 1913, the other in 1915. The approximately 50 Zeppelin airships turned over to the German naval service since the last of those fatal accidents made approximately 2,200 flights of varying length, about half of them on missions explicitly military, without misfortune in the air other than that due to enemy action. As far back as 1911 the Zeppelin Co. was building ships for commercial service, and 1,588 trips were made between Berlin and Baden-Baden and other German cities before the war without any mishap involving loss of life or injury to passengers. Immediately after the war service was resumed with two small ships, operating, for want of satisfactory commercial liaison at that time with countries outside of Germany, on the comparatively short route between Berlin and Friedrichshafen, in southern Germany, the site of the Zeppelin factory. Service with the first of these airships was continued without any untoward event from August to December, 1919, making 103 flights in 98 days, when its abandonment was ordered by the allied governments and the two ships were turned over to allied powers.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from Connecticut yield to the Senator from North Carolina?

Mr. BINGHAM. I yield.

Mr. SIMMONS. I have been greatly interested in the remarks of the Senator upon this very important question; but I have formed the opinion, from reading the newspapers, that we are having an exceptionally large casualty list as the result of accidents to airplanes, both those of the Army and Navy and those engaged in civilian activities.

I desire to ask the Senator, who seems to have given a great deal of thought and study to the situation with respect to the use of these craft, both in this country and abroad, how the casualties resulting in this country from the operations of the Army and the Navy and from the use of these craft in commerce compare with those in European countries.

Mr. BINGHAM. The Senator's question, I take it, deals with airplanes rather than with airships?

Mr. SIMMONS. We will take it as dealing with both. I prefer a comprehensive answer.

Mr. BINGHAM. We have no rigid airships in the Army or Navy or in commerce in this country except the *Los Angeles*. That is the only rigid airship in the Western Hemisphere.

Mr. SIMMONS. Then, if it be true that that is the only one we have in this country, I will confine my question to those of the other type.

Mr. BINGHAM. We have had but two rigid dirigibles. The other one was the *Shenandoah*. The *Los Angeles*, the Senator realizes from the morning papers, has just completed a marvelous flight from New York to Panama in a day and a half. She has engaged in a great many flights which have never gotten into the papers, because her flights are considered so safe that very little notice is taken of them. They have no news value. The *Los Angeles* has made one or two trips to Bermuda and back, and one to Porto Rico and back.

What I am endeavoring to point out in the remarks I am making this morning, I will say to the Senator, is the relative safety of the airship in flights over the ocean. In flights across the Atlantic between this country and Europe the airship is the only one of all the flying machines that has succeeded in flying directly from the continent of Europe to the continent of North America. All attempts by airplane have failed.

In flying in the other direction, the direction in which Colonel Lindbergh flew, rather more than half of the attempts to fly in airplanes of a land type have failed and the passengers and crews have been lost. Of those made in the seaplane type only a few have been successful, but no lives have been lost. Only one attempt has been made by rigid airship, and that was successful.

What I am trying to emphasize is that although the American public and a certain number of our colleagues here take the position that the airship is very unsafe—they remember vividly what happened to the *Shenandoah*—and they believe that we ought not to build rigid airships, as a matter of fact they are mistaken, because the airship is far safer for transoceanic travel than the airplane.

To answer the Senator's other question, with regard to airplanes, I will say to the Senator that in Europe no attempt is made to fly the mails overnight, as is done in this country every night, when thousands of miles are flown. On the airplane route from Chicago to San Francisco—which, as the Senator knows, is flown every night—it is necessary to fly all night long. There is nothing like that in Europe; and yet even over that route the accidents have been about one fatal accident for every 1,000,000 miles flown. There is practically no safer transportation than the operation of airplanes over land, over improved airways. The great British company, the Imperial Airways, which is a commercial concern, has issued figures to show that it has recently completed something like 900,000 miles flown without the loss of a life. Most of those trips are very short. In other words, the records in this country and in Europe compare favorably.

So far as the Army and Navy are concerned, military flying must always be dangerous.

Mr. SIMMONS. The figures given by the Senator of these great mileages in this country and Europe refer to mail service, do they not?

Mr. BINGHAM. Commercial service, yes, sir; mail, passenger, and express service. Of course, there are more lines in Europe than there are in America, but we do more flying in this country, because our distances are greater than they are in Europe; and we do immeasurably more flying at night, which is, of course, by far the most dangerous type of flying.

Mr. SIMMONS. Now, take all lines of service, not only mail and commercial but those conducted by the Army and the Navy and those conducted for pleasure and other purposes in this country. How do our casualties compare with those of Europe in the case of planes engaged in like operation; and if the disadvantage is on our side, if accidents are more frequent here, what is the reason?

Mr. BINGHAM. The only way we can compare those two things is by taking different types of flying—that is to say, the training for military aviators, the actual practice of military tactics, and the normal work of the military and naval aviators.

The latest figures which I have seen show that our records are considerably better than those of any European country in the training of aviators. The new training plane which we have developed and put into general use in our air schools within the past three years has had a very remarkable record. There has not been a single cadet killed in learning to fly in the preliminary flying school at Brooks Field, Tex., where the Army has its preliminary flying school, since we adopted this new type of training plane, which we believe is the best and safest in the world. No other nation has a record approaching that.

With respect to pursuit planes, which are used in the highest form of fighting in the air, we have better pursuit planes, we believe and the experts believe, than any other country. They are extremely difficult to operate. It is necessary in military aviation to have highly efficient planes that are not as safe as those used in commercial aviation. We must sacrifice safety to speed, maneuverability, and special use in war. It will always be inevitable that there will be a certain number of accidents in the air, just as there are on the ocean, where we lose a certain number of lives in the Navy, and in the merchant marine every year. But comparing accidents in military and naval aviation in this country, about which the Senator has asked, with those in other countries, such as Japan and England, France and Italy, our record is as good as theirs, if not better. This has been particularly true within the last two or three years, since we put into effect the legislation which the Senator will remember we passed in the early part of 1926, which placed our military flying under specialists in the departments, and created the office of Assistant Secretary of War for Aeronautics and the office of Assistant Secretary of the Navy for Aeronautics. We secured for those posts highly trained specialists, one of them a former war pilot, the other a great aeronautical engineer, one of the greatest in this country. Under their leadership we have ceased to make the mistakes which we were making some three or four and more years ago. Does that answer the Senator's question?

Mr. SIMMONS. Yes; and I want to say that I am very much gratified at what the Senator has said upon this subject. I know there is a feeling in this country—I have heard it expressed frequently; I have participated in it myself, as the result of reading the newspapers—that we were having entirely too many accidents, and that that must be due to some carelessness in the manufacture of the machines or in the management and direction of our Air Services. I am glad—and it is a matter of congratulation both to the public and to individuals

who are interested in this subject—to have this information assuring us that we are operating these machines with as little loss and just as successfully in this country as is the case anywhere in the world, the information coming from a Senator who I know has given probably more study to this question than any other man in this body, probably than any other man in public life. I receive the information from him as authoritative, and I am exceedingly gratified to hear that it is a mistake to suppose that we are having in this country an unusual and an unnecessary number of accidents as compared with those that are taking place in other countries in the use of these craft.

I suppose that while we are having a great many accidents in this country, it is probably due to the fact that flying is still in its infancy, comparatively speaking, and we have not yet quite perfected the machinery which is used in the operation of aircraft, something we might have expected to require many years, as has been the case with the automobile. But that we are making progress in America, that we are keeping up with the balance of the world, that we are having no greater proportion of accidents in this country than are happening in other countries is a matter of information which I think should be gratifying to the country, the information coming from the sourse from which it emanates.

Mr. BINGHAM. I thank the Senator. On the other hand, I am endeavoring this morning to point out the fact that we are not keeping up with the rest of the world in rigid dirigibles and in airship construction and operation. We have conceived the erroneous idea that money spent for rigid dirigibles is thrown away. We have gone ahead wonderfully with the airplanes, as has just been said, but in rigid dirigibles we have not. Let us see what has been done recently with rigids.

A study of British airships shows no conspicuously dark spot, save the loss of the *ZR-2*. Of the 14 ships built, a majority continued their careers for considerable lengths of time and were either wrecked in handling, again due to inadequate and unsatisfactory early methods, or dismantled as obsolete in order to make room in their sheds for later types. The round-trip voyage of the *R-34* to our shores in 1919 was one of the most notable of British airship exploits. It still stands on the record as the only round trip across the North Atlantic ever made by any aircraft, and the only other aerial crossing of that ocean in a westerly direction has been made by another airship, our own *Los Angeles*.

While there has been no absolutely clinching evidence in the form of a regular and long-continued transoceanic operation of airships, the past history of the art indicates steady progress toward that goal. During a quarter of a century of airship operation the performance of the ships has been improving. The safety and reliability of their operation have been increasing. The governments and corporations of European countries are giving evidence that they consider it practicable now to build with regular commercial operation in view, and airships capable of maintaining a regular schedule of transoceanic voyages certainly possess enormous potentialities for the uses of our own naval service.

We need not, in fact, turn exclusively to European experience to find practical evidence of the general safety and utility of rigid airships. We have had the *Los Angeles* before our own eyes, her latest exploit typical of the uniform success with which her operations have been carried on. That ship was delivered to us three and a half years ago in a nonstop flight 5,000 miles in length, exceeding by 25 per cent the longest trip that has even now been made by any airplane. Since that time it has made approximately 100 separate flights, totaling about 1,500 hours in the air, and in addition has remained moored in the open at its mast, entirely subject to the elements, for a total of about 650 hours.

Mr. President, one of our naval officers has invented and constructed a mooring mast very much shorter, more economical to build, and more efficient than the great mooring masts that were formerly built. By this mast the ship may be moored close to the ground instead of requiring to be navigated all night long by a man at the helm in order to equalize every gust of air. It is placed on a truck revolving around the low mast on tracks, which makes it possible for it to be more easily handled and moored, at a great saving of expense over anything known before.

Furthermore, as I have said, cruises to Porto Rico and to Bermuda have been planned and executed, together with several cross-country voyages to points in this country, the longest taking the ship to Pensacola. Improvements are constantly being made in the apparatus for handling the ship on the ground and in the technique of using it, which make it feasible to become more largely independent of weather conditions in planning regular operation. Already there have been notable instances of strict adherence to schedule where that was absolutely necessary. Eclipses of the sun do not wait upon the plans of men, and the *Los Angeles* was used successfully for photographing the total eclipse of January, 1925, leaving Lakehurst at the time originally scheduled in spite of weather conditions on the whole unfavorable. Flights made in connection with Navy Day observances have also had to conform strictly to schedule and have done so. The flights of the *Los Angeles* have become so much a matter of course and so little one of news interest that few Members of this body or of the general public realize how frequently the ship is going forth from its hangar in pursuance of plans definitely laid down in advance and carrying them through successfully.

It is an anomalous situation that we should be looking with so much doubt and apparent disfavor upon airships while other governments are vigorously prosecuting activities in that field, for we have logical reason to rate lighter-than-air craft more highly than the people of any other nation. To us they are not only an important instrument of intercontinental commerce, in which we should desire a share, but also a valuable tool of the national defense. In that particular they have a greater significance for us than for any other nation. Our naval problem and interest is upon the high seas, where we have very few bases of operation available for either surface vessels or aircraft. A state which is particularly interested in the defense of its coast and in protecting the movements of its commerce within comparatively narrow waters, or which has many bases strategically located over the ocean, may well depend exclusively upon airplanes for aerial scouting and patrol. We can not afford to do so. Vital though the airplane, operating both from ships and from fixed bases on shore, is in our naval organization, we can not neglect a type of aircraft which makes it possible to maintain constant surveillance far beyond airplane range. The airship is a self-sustaining scouting vehicle, capable of including whole oceans within the scope of its operation from a fixed base, and as such it has a peculiar application to our problem.

Nor is that the only reason why we should consider the airship with special favor. Among the wealth of natural resources with which we are so beneficently blessed there is included an enormous amount of helium, the only noninflammable gas light enough and otherwise suited for airship inflation. So far as is now known, a vastly preponderant part of the world's supply of this gas available for extraction by processes now known and commercially practicable underlies the soil of the United States. For commercial operation of airships helium does not appear as a necessity. Although an added safeguard of no small importance, it can be dispensed with in favor of hydrogen without excessive hazard if great care is exercised in handling the airship. German and British plans are in fact proceeding upon that line. For naval purposes, however, the difference between the use of hydrogen and that of helium is the difference between the extreme and a moderate vulnerability. The hydrogen-filled airship can be brought down in flames, as was demonstrated during the war, by a single burst of incendiary bullets from an aircraft or ground machine gun. The helium ship, on the other hand, could have its gas cells riddled with hundreds of bullet holes of that caliber and still remain in the air for many hours before the loss of gas would force descent. Nothing less than the separate perforation of several of the gas cells by projectiles of large diameter or the occurrence within the structure of the ship of a shell or bomb explosion of such violence as to wreck the framework would be fatal when helium is used.

That helium will be available for use on all ships built for the American Navy and, indeed for commercial purposes, too, supposing that the commercial operators desire it, may be taken as axiomatic. There is already in sight, its location well known and available as rapidly as wells are drilled to extract it, an amount of helium estimated to be sufficient for the normal operation for the greater part of a century of three ships of the largest size so far considered. By more rapid drilling of wells the output could be increased to a rate of flow sufficient to take care for a more limited period of 5 or 10 or 25 large airships instead of 3, and there are other helium resources not accounted for in that total. Already helium is being regularly secured on contract from a privately operated field, in addition to that which comes from the work done under the direction of the Bureau of Mines. Shortage of helium need give no concern for the next generation unless the use of airships increases even more rapidly than the greatest optimists would at present be prepared to prophesy. Furthermore, the gas supply can be increased by the drilling of new wells even more rapidly than new ships could be built in which to use it. Even if the construction of two new rigid airships were to be inaugurated tomorrow and pressed forward with all possible vigor, the production of helium could easily be made to more than keep pace

with the demands thus occasioned. Our special advantage in planning for the naval uses of airships in our possession of this priceless resource should never be overlooked.

The potential importance of airships as naval scouts can hardly be overestimated. Airships can now be constructed which will have a speed approaching closely 100 miles an hour and will be able to maintain that speed for 48 hours or more, while capable of traveling over 10,000 miles at more moderate rates. The new ships projected would quite normally make a run from New York to Panama in 32 hours without dependence upon favoring winds. With a cruising speed well over twice that of any surface vessel, the area which they could keep under effective observation would be correspondingly increased. Scouting is a prime function of naval operations, and anything which adds to its effectiveness must be eagerly sought after.

The airship can be of great service, too, in steady patrol of wide areas of sea bordering critical points in our overseas possessions. The flight of the *Los Angeles* gains a special significance from the prospective value in the event of war of such patrol flying by lighter-than-air craft around the Canal Zone. The canal and other outlying possessions would benefit also by the use of airships as transports and message carriers for delivering important plans, supplies, or personnel from the United States at three times the speed possible with surface transport. Given airships for the purpose, high-ranking officers holding responsible posts in the canal defense could return to Washington for councils of war and be back at their posts of duty again within a total elapsed time of three and a half days, and direct liaison in the form of personal conference could be established with equal promptness between personnel stationed in Hawaii and those in the Pacific coast area. A craft offering so alluring a picture of varied naval and commercial utility simply can not be neglected.

Even if the naval employment of airships, important as it is, were to be put aside entirely for the moment, there would still be ample reason for us to encourage airship construction and to take those steps which may be necessary to promote the creation of an airship industry. The commercial use of the airship deserves encouragement for its own sake. We should not be left in arrears in the upbuilding of an aerial merchant marine. The success of American endeavors to get under way with commercial operation on international routes is for the present absolutely dependent upon the placing of governmental contracts to aid in the starting of an industry and the development of new designs. Commercial business may be expected to follow upon the construction and successful demonstration of new ships such as those authorized in the Navy's five-year aircraft program bill adopted by the Sixty-ninth Congress, but not yet started because of lack of authorization to make actual expenditures of money under any of the bases which have been found in any degree mutually acceptable to the Navy Department and to any available contractor. It is not to be expected, however, that private investors will lead the way and carry the entire risk in developing such ships as these, so enlarged in dimensions as to constitute a wholly new class. They have not done so in Great Britain, and it is hardly possible to expect that they could be persuaded to do so here. The field of rigid-airship construction is one in which it is impossible to proceed by short steps or upon a small scale. To manifest its particular advantage over the airplane in its own field of operation the airship must have both high speed and the ability to make overocean flights of great length. The two things are compatible only in ships of relatively vast size, and the pioneer work in the design and construction of such ships might very properly command extensive governmental support even if there were no ultimate prospect except the commercial one. The ease and rapidity with which we shall take a share in the conduct of transoceanic air commerce depends primarily upon our action at this juncture. It is more than a year and a half since the bill authorizing the construction of two airships, each of 6,000,000 cubic feet capacity, became law. It is substantially a year since the appropriation was made to start work upon one of those ships, and as yet no piece of material has been cut, no shop has been set aside for the construction, no contract has been signed. The most available contractor, who submitted a design that won first award in a competition conducted by the Navy Department during the spring of 1927, has declared himself willing either to build a single airship upon a modified cost-plus basis, so written as to furnish exceptional safeguard to the interest of the Government, or to take a contract for the building of the two ships authorized in 1926 at a flat price for the two of $8,000,000. On such a two-ship contract provision would be made that lessons learned in the course of construction of the first ship would be incorporated in the design of the second, the actual fabrication of which would not be started until two years or more after the contract was signed and until after the first unit was very well advanced toward completion. Either of these two alternatives, however, would require slight modifications in existing law, and under present conditions the Navy Department is helpless to proceed upon either plan.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BINGHAM. I yield.

Mr. FESS. I am anxious to know just why the tardiness. It seems to be wholly indefensible. Where is the trouble?

Mr. BINGHAM. I shall be glad to tell the Senator. We originally provided an authorization for the construction of two great rigid airships at a cost for the two of not to exceed $8,000,000. When we came to make the proper appropriation, the Congress declined to do more than appropriate a small amount of money for the beginning of one ship and declined to do anything to contract for the building of a second ship, with the result that, since one ship could not possibly be built under the limit set by the provision in the appropriation bill, nothing has been done. If we are to build only one ship, it will take a larger authorization and an appropriation eventually of, or perhaps even more than, $5,500,000.

The Senator will realize that in order to construct one ship a very large shop must be constructed of a type not used for anything else. That shop, however, could be used for the second airship equally well since that is not to be begun until the first is practically completed and that would make the cost of the second one very much less; so the company is perfectly willing to contract to build two ships for the sum originally set, but can not possibly build one ship for the price set by the provision in the appropriation bill to which I have referred. Consequently the Congress, by the provision it has made for the construction of only one ship, has denied the country the right to have even one rigid airship built in this country.

Mr. FESS. Really, then, the fault lies with Congress?

Mr. BINGHAM. Yes, with Congress; and also with the Bureau of the Budget, which recommends the appropriation of over a million dollars to proceed with the building of one ship. We are again faced with the fact that we can not get the ship built here. Nobody will take the money, because no one will contract to build in America the one ship under the limitation proposed.

Mr. FESS. If the Senator will permit just a comment upon the difficulty of getting anything done that must have any authorization and management on the part of Congress, I would remind him that we are having the same situation in the radio matter. There we have a commission which is within 15 days of expiring, which never has had any authority of any sort to proceed, and yet we are holding it responsible. I use that as an illustration of what seems almost indefensible in the way we proceed from the Government standpoint.

Mr. BINGHAM. I hope the Senator will join with me in an effort to secure an appropriation this year to authorize the contracting for at least the beginnings of two airships, in order that we may proceed with this program, which other countries are doing and which is so greatly needed and upon which we are doing nothing.

Mr. FESS. The Senator will have my sympathetic support in that matter, and I hope we shall have the sympathetic support of the Senator in the matter of the situation at Akron to which he refers, where really something ought to be done.

Mr. BINGHAM. I shall be glad to do what I can. The development of the rigid airship art for several years to come, and the creation of an American rigid airship industry rest at present in the hands of Congress, dependent upon our taking the action necessary to enable the Navy Department to proceed in accordance with the will expressed by the Sixty-ninth Congress in the two separate actions of authorization and appropriation, both in its first and its second sessions.

I hope most sincerely that this Nation will have the courage to face the facts. Our glorious history has been based largely on courage and foresight. Had the motto of the Pilgrim fathers been "safety first" they would never have taken passage in the *Mayflower* and landed at Plymouth Rock. Had our western pioneers decided to avoid danger and any possible loss of life, there would have been no Oregon Trail and no great Northwest. Had the Wright brothers decided to take no risk, there would have been no first successful flight in a heavier-than-air machine.

The risk involved in the undertaking of building two rigid dirigibles, as planned by the Navy Department, and originally approved by the Congress, is no greater than that involved in a hundred enterprises that have made America famous and made us able to hold up our heads in pride, as we do as citizens

of this great Republic. We should do all in our power to promote the rapid development of this great aid to transoceanic flight, and the necessary industry, both for the sake of the national defense and for the future of American transoceanic air navigation.

FILLING OF VACANCY ON JOINT TAX COMMISSION

Mr. SIMMONS. Mr. President, there is a vacancy in the Joint Committee on Internal Revenue Taxation of the two Houses of Congress. That commission is composed of five members from the Finance Committee of the Senate and five members from the Ways and Means Committee of the House of Representatives. It is bipartisan, two Democrats and three Republicans represent the Senate on the commission. The vacancy is in the Democratic representation by reason of the death of the late Senator Jones, of New Mexico. I ask the unanimous consent of the Senate that the senior Senator from Rhode Island [Mr. GERRY] may be appointed a member of the Joint Committee on Internal Revenue Taxation in place of the late Senator Jones.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The Senate has heard the request. Is there any objection? The Chair hears none, and it is so ordered.

PUEBLO INDIAN LANDS

The Senate proceeded to consider the House amendment to the bill (S. 700) authorizing the Secretary of the Interior to execute an agreement with the Middle Rio Grande conservancy district providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands in the Rio Grande Valley, N. Mex., and for other purposes.

Mr. BRATTON obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me? I think the matter which is coming up now for discussion is one of considerable importance. If it is agreeable to the Senator, I make the point of no quorum.

Mr. BRATTON. Very well.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Keyes	Sackett
Barkley	Fess	King	Schall
Bayard	Fletcher	La Follette	Sheppard
Bingham	Frazier	McKellar	Shortridge
Black	George	McMaster	Simmons
Blaine	Gerry	McNary	Smoot
Blease	Gillett	Mayfield	Steck
Borah	Glass	Metcalf	Steiwer
Bratton	Gooding	Moses	Stephens
Brookhart	Gould	Neely	Tydings
Bruce	Greene	Norbeck	Tyson
Capper	Hale	Norris	Walsh, Mont.
Caraway	Harris	Nye	Warren
Copeland	Harrison	Oddie	Waterman
Couzens	Hayden	Overman	Watson
Curtis	Heflin	Phipps	Wheeler
Cutting	Howell	Pittman	Willis
Deneen	Johnson	Ransdell	
Dill	Jones	Reed, Pa.	
Edge	Kendrick	Robinson, Ind.	

Mr. COPELAND. My colleague the junior Senator from New York [Mr. WAGNER] is absent on official business connected with a Senate investigation.

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present. The amendment of the House of Representatives to Senate bill 700 will be read.

The CHIEF CLERK. Strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to enter into an agreement with the Middle Rio Grande conservancy district, a political subdivision of the State of New Mexico, providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands situated within the exterior boundaries of the said Middle Rio Grande conservancy district, as provided for by plans prepared for this purpose in pursuance to an act of February 14, 1927 (44 Stat. L. 1098). The construction cost of such conservation, irrigation, drainage, and flood-control work apportioned to the Indian lands shall not exceed $1,593,311, and said sum, or so much thereof as may be required to pay the Indians' share of the cost of the work herein provided for, shall be payable in not less than five installments without interest, which installments shall be paid annually as work progresses: *Provided*, That should at any time it appear to the said Secretary that construction work is not being carried out in accordance with plans approved by him, he shall withhold payment of any sums that may under the agreement be due the conservancy district until such work shall have been done in accordance with the said plans: *Provided further*, That in determining the share of the cost of the works to be apportioned to the Indian lands there shall be taken into consideration only the Indian acreage benefited which shall be definitely determined by said Secretary and such acreage shall include only lands feasibly susceptible of economic irrigation and cultivation, and materially benefited by this work, and in no event shall the average per acre cost for the area of Indian lands benefited exceed $67.50: *Provided further*, That all present water rights now appurtenant to the approximately 8,346 acres of irrigated Pueblo lands owned individually or as pueblos under the proposed plans of the district, and all water for the domestic purposes of the Indians and for their stock shall be prior and paramount to any rights of the district or of any property holder therein, which priority so defined shall be recognized and protected in the agreement between the Secretary of the Interior and the said Middle Rio Grande conservancy district, and the water rights for the newly reclaimed lands shall be recognized as equal to those of like district lands and be protected from discrimination in the division and use of water, and such water rights, old as well as new, shall not be subject to loss by nonuse or abandonment thereof so long as title to said lands shall remain in the Indians individually or as pueblos or in the United States, and such irrigated area of approximately 8,346 acres shall not be subject by the district or otherwise to any pro rata share of the cost of future operation and maintenance or betterment work performed by the district. The share of the cost paid the district on behalf of the Indian lands under the agreement herein authorized, including any sum paid to the district from the funds authorized to be appropriated by the act of February 14, 1927 (44 Stat. L. 1098), shall be reimbursed to the United States under such rules and regulations as may be prescribed by the Secretary of the Interior: *Provided*, That such reimbursement shall be made only from leases or proceeds from the newly reclaimed Pueblo lands, and there is hereby created against such newly reclaimed lands a first lien, which lien shall not be enforced during the period that the title to such lands remains in the pueblos or individual Indian ownership: *Provided further*, That said Secretary of the Interior, through the Commissioner of Indian Affairs, or his duly authorized agent, shall be recognized by said district in all matters pertaining to its operation in the same ratio that the Indian lands bear to the total area of lands within the district, and that the district books and records shall be available at all times for inspection by said representative.

The PRESIDING OFFICER. The clerk will state the amendment reported by the Senate Committee on Indian Affairs to the amendment of the House of Representatives.

The CHIEF CLERK. On page 3, line 19, of the engrossed House amendment it is proposed to strike out the words "lease or proceeds" and insert in lieu thereof the words "proceeds of leases."

Mr. BRATTON. Mr. President, I assume that there is no opposition to the amendment recommended by the Senate Committee on Indian Affairs to the House amendment to the bill. I would, therefore, suggest as a procedural matter that we agree to that amendment, and then the discussion may proceed upon the House amendment as amended by the Senate committee amendment.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Kansas?

Mr. BRATTON. I yield.

Mr. CURTIS. I wish to propose an amendment to the House text.

Mr. BRATTON. The observation I made was that the Senate Committee on Indian Affairs has recommended an amendment to the House amendment to the bill; that is, to strike out the language "leases or proceeds" and to insert in lieu thereof the words "proceeds of leases." I understand there is no objection to that amendment.

Mr. CURTIS. And the request of the Senator is that that amendment be acted upon now?

Mr. BRATTON. That it be acted upon now, and then that the debate may proceed upon the House amendment as amended.

Mr. CURTIS. Subject, of course, to the notice which I now serve that later on I shall offer another amendment.

Mr. BRATTON. Certainly, I so understand.

The PRESIDING OFFICER. Without objection, the committee amendment to the House amendment is agreed to.

Mr. BRATTON addressed the Senate. After having spoken with interruptions for over half an hour——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). The Senator from New Mexico will suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A joint resolution (S. J. Res. 46) providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the vicinity of Muscle Shoals for the manufacture and distribution of fertilizer, and for other purposes.

Mr. SMOOT. Mr. President, I have spoken to the Senator having in charge the unfinished business, the senior Senator from Nebraska [Mr. NORRIS], and he has agreed with me that we

might lay the unfinished business temporarily aside for the consideration of a conference report, which is a privileged question. I refer to the conference report on the alien property bill. Therefore I ask unanimous consent that the unfinished business may be temporarily laid aside and that the conference report on the alien property bill may be laid before the Senate.

Mr. BRATTON. Mr. President, I hope the Senator will not insist upon the request. We are engaged in the discussion of the measure relating to Pueblo Indian lands.

Mr. SMOOT. I have no objection to the measure, but I have given way all the week on the conference report. I had the report printed on Monday.

Mr. CURTIS. Mr. President, I inquire if the Senator from New Mexico would not agree to let us proceed with the conference report, which I understand will not take very long, and then take up again the House amendment to Senate bill 700?

Mr. BRATTON. On the statement of the Senator that the conference report will not take long and that we shall then resume consideration of House amendment to the Pueblo Indian lands bill I consent.

Mr. LA FOLLETTE. Mr. President, is that satisfactory to the Senator from Nebraska [Mr. NORRIS]?

Mr. CURTIS. I think so.

Mr. BRATTON. The thing I am most concerned in is that I should like very much to get the bill finally disposed of.

Mr. SMOOT. It is going to take quite some time to dispose of the Senator's bill, and I think we can dispose of the conference report much more quickly than the Senator can dispose of his bill.

I ask unanimous consent that the unfinished business, being Senate Joint Resolution 46, be temporarily laid aside, and that the Senate proceed to the consideration of the conference report on the alien property bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. BRATTON. Before consent is given, let it be with the understanding that when the conference report has been disposed of we shall then return to the consideration of the measure which has been before the Senate.

Mr. SMOOT. If the Senator from Nebraska is agreeable I would not object at all.

Mr. BRATTON. I ask unanimous consent that at the conclusion of the consideration of the conference report the Senate shall return to the consideration of the special order, being the House amendment to Senate bill 700.

The PRESIDING OFFICER. The Chair will put the first unanimous-consent request first. Is there objection to the unanimous-consent request submitted by the senior Senator from Utah that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the conference report on the alien property bill? The Chair hears none, and it is so ordered.

The Senator from New Mexico asks unanimous consent that at the conclusion of the consideration of the alien property conference report the Senate shall return to the consideration of the House amendment to Senate bill 700, the Pueblo Indian land bill. Is there objection?

Mr. LA FOLLETTE. I have no disposition to object, and I hope that the request of the Senator from New Mexico will be granted, but it seems to me that in all fairness to the Senator from Nebraska, who has charge of the unfinished business, he should be consulted before the request is granted.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a suggestion? If the Senator from Nebraska does not care to yield, all he has to do is to call for the regular order and the Senate will then resume the consideration of the unfinished business.

The PRESIDING OFFICER. That is a correct statement of the situation. Is there objection to the unanimous-consent request submitted by the Senator from New Mexico?

Mr. LA FOLLETTE. It seems to me the Senator from Nebraska should be consulted. I suggest to the Senator from New Mexico that he ascertain from the Senator from Nebraska whether that Senator has any objection or not, and that he submit his request at the conclusion of the disposition of the conference report.

Mr. BRATTON. If the Senator from Nebraska has objection I shall withdraw the request.

Mr. LA FOLLETTE. The Senator could not withdraw it after it has been entered into, except by unanimous consent.

Mr. REED of Pennsylvania. The Senator from Nebraska could ask for the regular order, and that would have the effect of withdrawing the unanimous-consent agreement.

Mr. BRATTON. The Senator from Nebraska unquestionably has the right to bring the unfinished business before the Senate at any time.

The PRESIDING OFFICER. Is there objection to the request submitted by the Senator from New Mexico? The Chair hears none, and it is so ordered.

Mr. SMOOT obtained the floor.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. Certainly.

Mr. BRATTON subsequently said: I ask unanimous consent that when the Senate concludes its regular morning business tomorrow morning it shall proceed to the consideration of the House amendment to Senate bill 700, commonly called the conservancy bill.

The PRESIDING OFFICER. The Chair calls the attention to the Senator from New Mexico to the fact that there has already been an agreement to proceed with the matter after action upon the pending conference report.

Mr. BRATTON. That agreement was subject to the approval of the Senator from Nebraska [Mr. NORRIS]. I understand he desires to resume his address this afternoon on the unfinished business, and I therefore ask unanimous consent as I have indicated.

The PRESIDING OFFICER. Is there objection?

Mr. NORRIS. What is the request?

Mr. BRATTON. That when the Senate concludes its routine business to-morrow it shall proceed to the consideration of the amendment to Senate bill 700, commonly called the conservancy bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

[Mr. BRATTON'S speech will be published entire after it shall have been concluded.]

SUSQUEHANNA RIVER BRIDGE

Mr. REED of Pennsylvania. I ask unanimous consent to call up a bridge bill, which is in the regular form, which can be passed without any debate, and which the interested parties are very anxious to have passed.

Mr. SMOOT. If the bill is in the usual form I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 8227) authorizing the Sunbury Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Susquehanna River, at or near Bainbridge Street, in the city of Sunbury, Pa.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CONFERENCE REPORT—ALIEN PROPERTY AND OTHER CLAIMS

The PRESIDING OFFICER. The Chair lays before the Senate the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7201) to provide for the settlement of certain claims of American nationals against Germany and of German nationals against the United States, for the ultimate return of all property of German nationals held by the Alien Property Custodian, and for the equitable apportionment among all claimants of certain available funds.

The Chief Clerk read the conference report.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7201) to provide for the settlement of certain claims of American nationals against Germany and of German nationals against the United States, for the ultimate return of all property of German nationals held by the Alien Property Custodian, and for the equitable apportionment among all claimants of certain available funds, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this act may be cited as the 'settlement of war claims act of 1928.'

"CLAIMS OF NATIONALS OF THE UNITED STATES AGAINST GERMANY

"SEC. 2 (a) The Secretary of State shall, from time to time, certify to the Secretary of the Treasury the awards of the Mixed Claims Commission, United States and Germany, established in pursuance of the agreement of August 10, 1922, between the United States and Germany (referred to in this act as the 'Mixed Claims Commission').

"(b) The Secretary of the Treasury is authorized and directed to pay an amount equal to the principal of each award so certified, plus the interest thereon, in accordance with the award, accruing before January 1, 1928.

"(c) The Secretary of the Treasury is authorized and directed to pay annually (as nearly as may be) simple interest, at the rate of 5 per cent per annum, upon the amounts payable under subsection (b) and remaining unpaid, beginning January 1, 1928, until paid.

"(d) The payments authorized by subsection (b) or (c) shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe, but only out of the German special deposit account created by section 4, within the limitations hereinafter prescribed, and in the order of priority provided in subsection (c) of section 4.

"(e) There shall be deducted from the amount of each payment, as reimbursement for the expenses incurred by the United States in respect thereof, an amount equal to one-half of 1 per cent thereof. The amount so deducted shall be deposited in the Treasury as miscellaneous receipts. In computing the amounts payable under subsection (c) of section 4 (establishing the priority of payments) the fact that such deduction is required to be made from the payment when computed or that such deduction has been made from prior payments, shall be disregarded.

"(f) The amounts awarded to the United States in respect of claims of the United States on its own behalf shall not be payable under this section.

"(g) No payment shall be made under this section unless application therefor is made, within two years after the date of the enactment of this act, in accordance with such regulations as the Secretary of the Treasury may prescribe. Payment shall be made only to the person on behalf of whom the award was made, except that—

"(1) If such person is deceased or is under a legal disability, payment shall be made to his legal representative, except that if the payment is not over $500 it may be made to the persons found by the Secretary of the Treasury to be entitled thereto, without the necessity of compliance with the requirements of law in respect of the administration of estates;

"(2) In the case of a partnership, association, or corporation, the existence of which has been terminated, payment shall be made, except as provided in paragraphs (3) and (4), to the persons found by the Secretary of the Treasury to be entitled thereto;

"(3) If a receiver or trustee for the person on behalf of whom the award was made has been duly appointed by a court in the United States and has not been discharged prior to the date of payment, payment shall be made to the receiver or trustee or in accordance with the order of the court; and

"(4) In the case of an assignment of an award, or an assignment (prior to the making of the award) of the claim in respect of which the award was made, by a receiver or trustee for any such person, duly appointed by a court in the United States, such payment shall be made to the assignee.

"(h) Nothing in this section shall be construed as the assumption of a liability by the United States for the payment of the awards of the Mixed Claims Commission, nor shall any payment under this section be construed as the satisfaction, in whole or in part, of any of such awards, or as extinguishing or diminishing the liability of Germany for the satisfaction in full of such awards, but shall be considered only as an advance by the United States until all the payments from Germany in satisfaction of the awards have been received. Upon any payment under this section of an amount in respect of an award, the rights in respect of the award and of the claim in respect of which the award was made shall be held to have been assigned pro tanto to the United States, to be enforced by and on behalf of the United States against Germany, in the same manner and to the same extent as such rights would be enforced on behalf of the American national.

"(i) Any person who makes application for payment under this section shall be held to have consented to all the provisions of this act.

"(j) The President is requested to enter into an agreement with the German Government by which the Mixed Claims Commission will be given jurisdiction of and authorized to decide claims of the same character as those of which the commission now has jurisdiction, notice of which is filed with the Department of State before July 1, 1928. If such agreement is entered into before January 1, 1929, awards in respect of such claims shall be certified under subsection (a) and shall be in all other respects subject to the provisions of this section.

CLAIMS OF GERMAN NATIONALS AGAINST UNITED STATES

"SEC. 3. (a) There shall be a war claims arbiter (hereinafter referred to as the "arbiter") who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to any provision of law prohibiting the holding of more than one office. The arbiter, notwithstanding any other provision of law, shall receive a salary to be fixed by the President in an amount, if any, which if added to any other salary will make his total salary from the United States not in excess of $15,000 a year.

"(b) It shall be the duty of the arbiter, within the limitations hereinafter prescribed, to hear the claims of any German national (as hereinafter defined), and to determine the fair compensation to be paid by the United States, in respect of—

"(1) Any merchant vessel (including any equipment, appurtenances and property contained therein), title to which was taken by or on behalf of the United States under the authority of the joint resolution of May 12, 1917 (40 Stat. 75). Such compensation shall be the fair value, as nearly as may be determined, of such vessel to the owner immediately prior to the time exclusive possession was taken under the authority of such joint resolution, and in its condition at such time, taking into consideration the fact that such owner could not use or permit the use of such vessel, or charter or sell or otherwise dispose of such vessel for use or delivery, prior to the termination of the war, and that the war was not terminated until July 2, 1921, except that there shall be deducted from such value any consideration paid for such vessel by the United States. The findings of the board of survey appointed under the authority of such joint resolution shall be competent evidence in any proceeding before the arbiter to determine the amount of such compensation.

"(2) Any radio station (including any equipment, appurtenances, and property contained therein) which was sold to the United States by or under the direction of the Alien Property Custodian under authority of the trading with the enemy act, or any amendment thereto. Such compensation shall be the fair value, as nearly as may be determined, which such radio station would have had on July 2, 1921, if returned to the owner on such date in the same condition as on the date on which it was seized by or on behalf of the United States, or on which it was conveyed or delivered to, or seized by, the Alien Property Custodian, whichever date is earlier, except that there shall be deducted from such value any consideration paid for such radio station by the United States.

"(3) Any patent (or any right therein or claim thereto, and including an application therefor and any patent issued pursuant to any such application) which was licensed, assigned, or sold by the Alien Property Custodian to the United States. Such compensation shall be the amount, as nearly as may be determined, which would have been paid if such patent, right, claim, or application had been licensed, assigned, or sold to the United States by a citizen of the United States, except that there shall be deducted from such amount any consideration paid therefor by the United States (other than consideration which is returned to the United States under section 27 of the trading with the enemy act, as amended).

"(4) The use by or for the United States of any invention described in and covered by any patent (including an application therefor and any patent issued pursuant to any such application) which was conveyed, transferred, or assigned to, or seized by, the Alien Property Custodian, but not including any use during any period between April 6, 1917, and November 11, 1918, both dates inclusive, or on or after the date on which such patent was licensed, assigned, or sold by the Alien Property Custodian. In determining such compensation, any defense, general or special, available to a defendant in an action for infringement or in any suit in equity for relief against an alleged infringement, shall be available to the United States.

"(c) The proceedings of the arbiter under this section shall be conducted in accordance with such rules of procedure as he may prescribe. The arbiter, or any referee designated by him, is authorized to administer oaths, to hold hearings at such places within or without the United States as the arbiter deems necessary, and to contract for the reporting of such hearings. Any witness appearing for the United States before the arbiter or any such referee at any place within or without the United States may be paid the same fees and mileage as witnesses in courts of the United States. Such payments shall be made out of any funds in the German special deposit account hereinafter provided for, and may be made in advance.

"(d) The arbiter may, from time to time, and shall, upon the determination by him of the fair compensation in respect of all such vessels, radio stations, and patents, make a tentative award to each claimant of the fair compensation to be paid in respect of his claim, including simple interest, at the rate of 5 per cent per annum, on the amount of such compensation from July 2, 1921, to December 31, 1928, both dates inclusive. If a German national filing a claim in respect of

any such vessel fails to establish to the satisfaction of the arbiter that neither the German Government nor any member of the former ruling family had, at the time of the taking, any interest in such vessel, either directly or indirectly, through stock ownership or control or otherwise, then (whether or not claim has been filed by or on behalf of such Government or individual) no award shall be made to such German national unless and until the extent of such interest of the German Government and of the members of the former ruling family has been determined by the arbiter. Upon such determination the arbiter shall make a tentative award in favor of such Government or individual in such amount as the arbiter determines to be in justice and equity representative of such interest, and reduce accordingly the amount available for tentative awards to German nationals filing claims in respect of the vessel so that the aggregate of the tentative awards (including awards on behalf of the German Government and members of the former ruling family) in respect of the vessel will be within the amount of fair compensation determined under subsection (b) of this section.

"(e) The total amount to be awarded under this section shall not exceed $100,000,000, minus the sum of (1) the expenditures in carrying out the provisions of this section (including a reasonable estimate for such expenditures to be incurred prior to the expiration of the term of office of the arbiter) and (2) the aggregate consideration paid by the United States in respect of the acquisition of such vessels and radio stations, and the use, license, assignment, and sale of such patents (other than consideration which is returned to the United States under section 27 of the trading with the enemy act, as amended).

"(f) If the aggregate amount of the tentative awards exceeds the amount which may be awarded under subsection (e), the arbiter shall reduce pro rata the amount of each tentative award. The arbiter shall enter an award of the amount to be paid each claimant, and thereupon shall certify such awards to the Secretary of the Treasury.

"(g) The Secretary of the Treasury is authorized and directed to pay the amount of the awards certified under subsection (f).

"(h) The Secretary of the Treasury is authorized and directed to pay annually (as nearly as may be) simple interest, at the rate of 5 per cent per annum, upon the amount of any such award remaining unpaid, beginning January 1, 1929, until paid.

"(i) The payments in respect of awards under this section shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe, but only out of the German special deposit account created by section 4, within the limitations hereinafter prescribed, and in the order of priority provided in subsections (c) and (d) of section 4.

"(j) The Secretary of the Treasury shall not pay any amount in respect of any award made to or on behalf of the German Government or any member of the former ruling family, but the amount of any such award shall be credited upon the final payment due the United States from the German Government for the purpose of satisfying the awards of the Mixed Claims Commission.

"(k) No payment shall be made under this section unless application therefor is made, within two years after the date the award is certified, in accordance with such regulations as the Secretary of the Treasury may prescribe. Payment of any amount in respect of any award may be made, in the discretion of the Secretary of the Treasury, either in the United States or in Germany, and either in money of the United States or in lawful German money, and shall be made only to the person on behalf of whom the award was made, except that—

"(1) If such person is deceased or is under a legal disability, payment shall be made to his legal representative, except that if the payment is not over $500 it may be made to the persons found by the Secretary of the Treasury to be entitled thereto, without the necessity of compliance with the requirements of law in respect of the administration of estates;

"(2) In the case of a partnership, association, or corporation, the existence of which has been terminated, payment shall be made, except as provided in paragraphs (3) and (4), to the persons found by the Secretary of the Treasury to be entitled thereto;

"(3) If a receiver or trustee for the person on behalf of whom the award was made has been duly appointed by a court of competent jurisdiction and has not been discharged prior to the date of payment, payment shall be made to the receiver or trustee or in accordance with the order of the court; and

"(4) In the case of an assignment of an award, or of an assignment—prior to the making of the award—of the claim in respect of which such award was made, by a receiver or trustee for any such person, duly appointed by a court of competent jurisdiction, payment shall be made to the assignee.

"(l) The head of any executive department, independent establishment, or agency in the executive branch of the Government, including the Alien Property Custodian and the Comptroller General, shall, upon request of the arbiter, furnish such records, documents, papers, correspondence, and information in the possession of such department, independent establishment, or agency as may assist the arbiter, furnish them statements and assistance of the same character as is described in section 188 of the Revised Statutes, and may temporarily detail any officers or employees of such department, independent establishment, or agency to assist the arbiter, or to act as a referee, in carrying out the provisions of this section. The Attorney General shall assign such officers and employees of the Department of Justice as may be necessary to represent the United States in the proceedings under this section.

"(m) The arbiter, with the approval of the Secretary of the Treasury, is authorized to (1) appoint and fix the salaries of such officers, referees, and employees, without regard to the civil service laws and regulations or to the classification act of 1923, and (2) make such expenditures—including expenditures for the salary of the arbiter, rent, and personal services at the seat of government and elsewhere, law books, periodicals, books of reference, and printing and binding—as may be necessary for carrying out the provisions of this section and within the funds available therefor. Any officer or employee detailed or assigned under subsection (l) shall be entitled to receive—notwithstanding any provision of law to the contrary—such additional compensation as the arbiter, with the approval of the Secretary of the Treasury, may prescribe. The arbiter and officers and employees appointed, detailed, or assigned shall be entitled to receive their necessary traveling expenses and actual expenses incurred for subsistence—without regard to any limitations imposed by law—while away from the District of Columbia on business required by this section.

"(n) On the date on which the awards are certified to the Secretary of the Treasury under subsection (f) or the date on which the awards are certified to the Secretary of the Treasury under subsection (e) of section 6 (patent claims of Austrian and Hungarian nationals), whichever date is the later, the terms of office of the arbiter, and of the officers and employees appointed by the arbiter, shall expire, and the books, papers, records, correspondence, property, and equipment of the office shall be transferred to the Department of the Treasury.

"(o) No award or tentative award shall be made by the arbiter in respect of any claim if (1) such claim is filed after the expiration of four months from the date on which the arbiter takes office, or (2) any judgment or decree awarding compensation or damages in respect thereof has been rendered against the United States, and if such judgment or decree has become final (whether before or after the enactment of this act), or (3) any suit or proceeding against the United States, or any agency thereof, is commenced or is pending in respect thereof and is not dismissed upon motion of the person by or on behalf of whom it was commenced, made before the expiration of six months from the date on which the arbiter takes office and before any judgment or decree awarding compensation or damages becomes final.

"(p) There is hereby authorized to be appropriated, to be immediately available and to remain available until expended, the sum of $50,000,000, and, after the date on which the awards of the arbiter under this section are certified to the Secretary of the Treasury, such additional amounts as, when added to the amounts previously appropriated, will be equivalent to the aggregate amount of such awards plus the amounts necessary for the expenditures authorized by subsections (c) and (m) of this section (expenses of administration), except that the aggregate of such appropriations shall not exceed $100,000,000.

"(q) The provisions of this section shall constitute the exclusive method for the presentation and payment of claims arising out of any of the acts by or on behalf of the United States for which this section provides a remedy. Any person who files any claim or makes application for any payment under this section shall be held to have consented to all the provisions of this act. This subsection shall not bar the presentation of a claim under section 21 (relating to the claims of certain former German nationals in respect of the taking of the vessels *Carl Diederichsen* and *Johanne*); but no award shall be made under section 21 in respect of either of such vessels to or on behalf of any person to whom or on whose behalf an award is made under this section in respect of such vessel.

"(r) If the aggregate amount to be awarded in respect of any vessel, radio station, or patent is awarded in respect of two or more claims, such amount shall be apportioned among such claims by the arbiter as he determines to be just and equitable and as the interests of the claimants may appear.

"(s) The Secretary of the Treasury, upon the certification of any of the tentative awards made under subsection (d) of this section and the recommendation of the arbiter, may make such pro rata payments in respect of such tentative awards as he deems advisable, but the aggregate of such payments shall not exceed $25,000,000.

GERMAN SPECIAL DEPOSIT ACCOUNT

"SEC. 4. (a) There is hereby created in the Treasury a German special deposit account, into which shall be deposited all funds hereinafter specified and from which shall be disbursed all payments authorized by section 2 or 3, including the expenses of administration authorized under subsections (c) and (m) of section 3 and subsection (e) of this section.

"(b) The Secretary of the Treasury is authorized and directed to deposit in such special deposit account—

"(1) All sums invested or transferred by the Alien Property Custodian, under the provisions of section 25 of the trading with the enemy act, as amended;

"(2) The amounts appropriated under the authority of section 3 (relating to claims of German nationals); and

"(3) All money (including the proceeds of any property, rights, or benefits which may be sold or otherwise disposed of, upon such terms as he may prescribe) received, whether before or after the enactment of this act, by the United States in respect of claims of the United States agaisnt Germany on account of the awards of the Mixed Claims Commission.

"(c) The Secretary of the Treasury is authorized and directed, out of the funds in such special deposit account, subject to the provisions of subsection (d), and in the following order of priority—

"(1) To make the payments of expenses of administration authorized by subsections (c) and (m) of section 3 or subsection (e) of this section;

"(2) To make so much of each payment authorized by subsection (b) of section 2 (relating to awards of the Mixed Claims Commission), as is attributable to an award on account of death or personal injury, together with interest thereon as provided in subsection (c) of section 2;

"(3) To make each payment authorized by subsection (b) of section 2 (relating to awards of the Mixed Claims Commission), if the amount thereof is not payable under paragraph (2) of this subsection and does not exceed $100,000, and to pay interest thereon as provided in subsection (c) of section 2;

"(4) To pay the amount of $100,000 in respect of each payment authorized by subsection (b) of section 2 (relating to awards of the Mixed Claims Commission), if the amount of such authorized payment is in excess of $100,000 and is not payable in full under paragraph (2) of this subsection. No person shall be paid under this paragraph and paragraph (3) an amount in excess of $100,000 (exclusive of interest beginning January 1, 1928), irrespective of the number of awards made on behalf of such person;

"(5) To make additional payments authorized by subsection (b) of section 2 (relating to awards of the Mixed Claims Commission), in such amounts as will make the aggregate payments (authorized by such subsection) under this paragraph and paragraphs (2), (3), and (4) of this subsection equal to 80 per cent of the aggregate amount of all payments authorized by subsection (b) of section 2. Payments under this paragraph shall be prorated on the basis of the amount of the respective payments authorized by subsection (b) of section 2 and remaining unpaid. Pending the completion of the work of the Mixed Claims Commission, the Secretary of the Treasury is authorized to pay such installments of the payments authorized by this paragraph as he determines to be consistent with prompt payment under this paragraph to all persons on behalf of whom claims have been presented to the commission;

"(6) To pay amounts determined by the Secretary of the Treasury to be payable in respect of the tentative awards of the arbiter, in accordance with the provisions of subsection (s) of section 3 (relating to awards for ships, patents, and radio stations);

"(7) To pay to German nationals such amounts as will make the aggregate payments equal to 50 per cent of the amounts awarded under section 3 (on account of ships, patents, and radio stations). Payments authorized by this paragraph or paragraphs (6) may, to the extent of funds available under the provisions of subsection (d) of this section, be made whether or not the payments under paragraphs (1) to (5), inclusive, of this subsection have been completed;

"(8) To pay accrued interest upon the participating certificates evidencing the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the trading with the enemy act, as amended (relating to the investment of 20 per cent of German property temporarily withheld);

"(9) To pay the accrued interest payable under subsection (c) of section 2 (in respect of awards of the Mixed Claims Commission) and subsection (h) of section 3 (in respect of awards to German nationals);

"(10) To make such payments as are necessary (A) to repay the amounts invested by the Alien Property Custodian under subsection (a) of section 25 of the trading with the enemy act, as amended (relating to the investment of 20 per cent of German property temporarily withheld), (B) to pay amounts equal to the difference between the aggregate payments (in respect of claims of German nationals) authorized by subsections (g) and (h) of section 3 and the amounts previously paid in respect thereof, and (C) to pay amounts equal to the difference between the aggregate payments (in respect of awards of the Mixed Claims Commission) authorized by subsections (b) and (c) of section 2, and the amounts previously paid in respect thereof. If funds available are not sufficient to make the total payments authorized by this paragraph, the amount of payments made from time to time shall be apportioned among the payments authorized under clauses (A), (B), and (C) according to the aggregate amount remaining unpaid under each clause;

"(11) To make such payments as are necessary to repay the amounts invested by the Alien Property Custodian under subsection (b) of section 25 of the trading with the enemy act, as amended (relating to the investment of the unallocated interest fund); but the amount payable under this paragraph shall not exceed the aggregate amount allocated to the trusts described in subsection (c) of section 26 of such act;

"(12) To pay into the Treasury as miscellaneous receipts the amount of the awards of the Mixed Claims Commission to the United States on its own behalf on account of claims of the United States against Germany; and

"(13) To pay into the Treasury as miscellaneous receipts any funds remaining in the German special deposit account after the payments authorized by paragraphs (1) to (12) have been completed.

"(d) Fifty per cent of the amounts appropriated under the authority of section 3 (relating to claims of German nationals) shall be available for payments under paragraphs (6) and (7) of subsection (c) of this section (relating to such claims) and shall be available only for such payments until such time as the payments authorized by such paragraphs have been completed.

"(e) The Secretary of the Treasury is authorized to pay, from funds in the German special deposit account, such amounts, not in excess of $25,000 per annum, as may be necessary for the payment of the expenses in carrying out the provisions of this section and section 25 of the trading with the enemy act, as amended (relating to the investment of funds by the Alien Property Custodian), including personal services at the seat of government.

"(f) The Secretary of the Treasury is authorized to invest and reinvest, from time to time, in bonds, notes, or certificates of indebtedness of the United States any of the funds in the German special deposit account, and to deposit to the credit of such account the interest or other earnings thereon.

"(g) There shall be deducted from the amounts first payable under this section to any American national in respect of any debt the amount, if any, paid by the Alien Property Custodian in respect of such debt which was not credited by the Mixed Claims Commission in making its award.

CLAIMS OF UNITED STATES AND ITS NATIONALS AGAINST AUSTRIA AND HUNGARY

"SEC. 5. (a) The Commissioner of the Tripartite Claims Commission (hereinafter referred to as the "commissioner") selected in pursuance of the agreement of November 26, 1924, between the United States and Austria and Hungary shall, from time to time, certify to the Secretary of the Treasury the judgments and interlocutory judgments (hereinafter referred to as "awards") of the commissioner.

"(b) The Secretary of the Treasury is authorized and directed to pay (1) in the case of any such judgment, an amount equal to the principal thereof, plus the interest thereon in accordance with such judgment, and (2) in the case of any such interlocutory judgment, an amount equal to the principal thereof (converted at the rate of exchange specified in the certificate of the commissioner provided for in section 7), plus the interest thereon in accordance with such certificate.

"(c) The payments authorized by subsection (b) shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe, but only out of the special deposit account (Austrian or Hungarian, as the case may be), created by section 7, and within the limitations hereinafter prescribed.

"(d) There shall be deducted from the amount of each payment, as reimbursement for expenses incurred by the United States in respect thereof, an amount equal to one-half of 1 per

cent thereof. The amount so deducted shall be deposited in the Treasury as miscellaneous receipts.

"(e) The amounts awarded to the United States in respect of claims of the United States on its own behalf shall be payable under this section.

"(f) No payment shall be made under this section (other than payments to the United States in respect of claims of the United States on its own behalf) unless application therefor is made within two years after the date of the enactment of this act in accordance with such regulations as the Secretary of the Treasury may prescribe. Payment shall be made only to the person on behalf of whom the award was made except in the cases specified in paragraphs (1) to (4) of subsection (g) of section 2.

"(g) Any person who makes application for payment under this section shall be held to have consented to all the provisions of this act.

CLAIMS OF AUSTRIAN AND HUNGARIAN NATIONALS AGAINST THE UNITED STATES

"SEC. 6. (a) It shall be the duty of the arbiter, within the limitations hereinafter prescribed, to hear the claims of any Austrian or Hungarian national (as hereinafter defined) and to determine the compensation to be paid by the United States, in respect of—

"(1) Any patent (or any right therein or claim thereto, and including an application therefor and any patent issued pursuant to any such application) which was licensed, assigned, or sold by the Alien Property Custodian to the United States. Such compensation shall be the amount, as nearly as may be determined, which would have been paid if such patent, right, claim, or application had been licensed, assigned, or sold to the United States by a citizen of the United States, except that there shall be deducted from such amount any consideration paid therefor by the United States (other than consideration which is returned to the United States under section 27 of the trading with the enemy act, as amended).

"(2) The use by or for the United States of any invention described in and covered by any patent (including an application therefor and any patent issued pursuant to any such application) which was conveyed, transferred, or assigned to, or seized by the Alien Property Custodian, but not including any use during any period between December 7, 1917, and November 3, 1918, both dates inclusive, or on or after the date on which such patent was licensed, assigned, or sold by the Alien Property Custodian. In determining such compensation, any defense, general or special available to a defendant in an action for infringement or in any suit in equity for relief against an alleged infringement, shall be available to the United States.

"(b) The proceedings of the arbiter under this section shall be conducted in accordance with such rules of procedure as he may prescribe. The arbiter, or any referee designated by him, is authorized to administer oaths, to hold hearings at such places within or without the United States as the arbiter deems necessary, and to contract for the reporting of such hearings. Any witness appearing for the United States before the arbiter or any such referee at any place within or without the United States may be paid the same fees and mileage as witnesses in courts of the United States. Such payments may be made in advance, and may be made in the first instance out of the German special deposit account, subject to reimbursement from the special deposit account (Austrian or Hungarian as the case may be) hereinafter provided for.

"(c) The arbiter shall, upon the determination by him of the fair compensation in respect of all such patents, make a tentative award to each claimant of the fair compensation to be paid in respect of his claim, including simple interest, at the rate of 5 per cent per annum, on the amount of such compensation from July 2, 1921, to December 31, 1928, both dates inclusive.

"(d) The total amount to be awarded under this section shall not exceed $1,000,000, minus the sum of (1) the expenditures in carrying out the provisions of this section (including a reasonable estimate for such expenditures to be incurred prior to the expiration of the term of office of the arbiter) and (2) the aggregate consideration paid by the United States in respect of the use, license, assignment, and sale of such patents (other than consideration which is returned to the United States under section 27 of the trading with the enemy act, as amended).

"(e) If the aggregate amount of the tentative awards exceeds the amount which may be awarded under subsection (d), the arbiter shall reduce pro rata the amount of each tentative award. The arbiter shall enter an award of the amount to be paid each claimant, and thereupon shall certify such awards to the Secretary of the Treasury.

"(f) The Secretary of the Treasury is authorized and directed to pay the amount of the awards certified under subsection (e), together with simple interest thereon, at the rate of 5 per cent per annum, beginning January 1, 1929, until paid.

"(g) The payments authorized by subsection (f) shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe, but only out of the special deposit account (Austrian or Hungarian, as the case may be), created by section 7, and within the limitations hereinafter prescribed.

"(h) No payment shall be made under this section unless application therefor is made, within two years after the date the award is certified, in accordance with such regulations as the Secretary of the Treasury may prescribe. Payment of any amount in respect of any award may be made, in the discretion of the Secretary of the Treasury, either in the United States or in Austria or in Hungary, and either in money of the United States or in lawful Austrian or Hungarian money (as the case may be), and shall be made only to the person on behalf of whom the award was made, except in the cases specified in paragraphs (1) to (4) of subsection (k) of section 3.

"(i) The provisions of subsections (l), (m), and (o) of section 3 shall be applicable in carrying out the provisions of this section, except that the expenditures in carrying out the provisions of section 3 and this section shall be allocated (as nearly as may be) by the arbiter and paid, in accordance with such allocation, out of the German special deposit account created by section 4 or the special deposit account (Austrian or Hungarian, as the case may be) created by section 7. Such payments may be made in the first instance out of the German special deposit account, subject to reimbursement from the Austrian or the Hungarian special deposit account in appropriate cases.

"(j) There is hereby authorized to be appropriated, to remain available until expended, such amount, not in excess of $1,000,000, as may be necessary for carrying out the provisions of this section.

"(k) The provisions of this section shall constitute the exclusive method for the presentation and payment of claims arising out of any of the acts by or on behalf of the United States for which this section provides a remedy. Any person who files any claim or makes application for any payment under this section shall be held to have consented to all the provisions of this act.

"(l) If the aggregate amount to be awarded in respect of any patent is awarded in respect of two or more claims, such amount shall be apportioned among such claims by the arbiter as he determines to be just and equitable and as the interests of the claimants may appear.

AUSTRIAN AND HUNGARIAN SPECIAL DEPOSIT ACCOUNTS

"SEC. 7. (a) There are hereby created in the Treasury an Austrian special deposit account and an Hungarian special deposit account, into which, respectively, shall be deposited all funds hereinafter specified and from which, respectively, shall be disbursed all payments and expenditures authorized by section 5 or 6 or this section.

"(b) The Secretary of the Treasury is authorized and directed to deposit in the Austrian or the Hungarian special deposit account, as the case may be—

"(1) The respective amounts appropriated under the authority of section 6 (patent claims of Austrian and Hungarian nationals);

"(2) The respective sums transferred by the Alien Property Custodian, under the provisions of subsection (g) of section 25 of the trading with the enemy act, as amended (property of Austrian and Hungarian Governments);

"(3) All money (including the proceeds of any property, rights, or benefits which may be sold or otherwise disposed of, upon such terms as he may prescribe) received, whether before or after the enactment of this act, by the United States in respect of claims of the United States against Austria or Hungary, as the case may be, on account of awards of the commissioner.

"(c) The Secretary of the Treasury is authorized and directed, out of the funds in the Austrian or the Hungarian special deposit account, as the case may be, subject to the provisions of subsections (d) and (e)—

"(1) To make the payments of expenses of administration authorized by section 6 or this section;

"(2) To make the payments authorized by subsection (b) of section 5 (relating to awards of the Tripartite Claims Commission); and

"(3) To make the payments of the awards of the arbiter, together with interest thereon, as provided by section 6 (relating to claims of Austrian and Hungarian nationals).

"(d) No payment shall be made in respect of any award of the commissioner against Austria or of the arbiter on behalf of an Austrian national, nor shall any money or other property be

returned under paragraph (15), (17), (18), or (19) of subsection (b) of section 9 of the trading with the enemy act, as amended (relating to the return of money and other property by the Alien Property Custodian to Austrian nationals), prior to the date upon which the commissioner certifies to the Secretary of the Treasury—

"(1) That the amounts deposited in the Austrian special deposit account under paragraph (2) of subsection (b) of this section (in respect of property of the Austrian Government or property of a corporation all the stock of which was owned by the Austrian Government) and under paragraph (3) of subsection (b) of this section (in respect of money received by the United States in respect of claims of the United States against Austria on account of awards of the commissioner) are sufficient to make the payments authorized by subsection (b) of section 5 in respect of awards against Austria; and

"(2) In respect of interlocutory judgments entered by the commissioner, the rate of exchange at which such interlocutory judgments shall be converted into money of the United States and the rate of interest applicable to such judgments and the period during which such interest shall run. The commissioner is authorized and requested to fix such rate of exchange and interest as he may determine to be fair and equitable, and to give notice thereof, within 30 days after the enactment of this act.

"(e) No payment shall be made in respect of any award of the commissioner against Hungary or of the arbiter on behalf of an Hungarian national, nor shall any money or other property be returned under paragraph (15), (20), (21), or (22) of subsection (b) of section 9 of the trading with the enemy act, as amended by this act (relating to the return of money and other property by the Alien Property Custodian to Hungarian nationals), prior to the date upon which the commissioner certifies to the Secretary of the Treasury—

"(1) That the amounts deposited in the Hungarian special deposit account under paragraph (2) of subsection (b) of this section (in respect of property of the Hungarian Government or property of a corporation all the stock of which was owned by the Hungarian Government) and under paragraph (3) of subsection (b) of this section (in respect of money received by the United States in respect of claims of the United States against Hungary on account of awards of the commissioner), are sufficient to make the payments authorized by subsection (b) of section 5 in respect of awards against Hungary; and

"(2) In respect of interlocutory judgments entered by the commissioner, the rate of exchange at which such interlocutory judgments shall be converted into money of the United States and the rate of interest applicable to such judgments and the period during which such interest shall run. The commissioner is authorized and requested to fix such rate of exchange and interest as he may determine to be fair and equitable, and to give notice thereof, within 30 days after the enactment of this act.

"(f) Amounts available under subsection (e) of section 4 (relating to payment of expenses of administration) shall be available for the payment of expenses in carrying out the provisions of this section, including personal services at the seat of Government.

"(g) The Secretary of the Treasury is authorized to invest and reinvest, from time to time, in bonds, notes, or certificates of indebtedness of the United States, any of the funds in the Austrian or the Hungarian special deposit account, and to deposit to the credit of such account the interest or other earnings thereon.

"(h) There shall be deducted from the amounts first payable under this section to any American national in respect of any debt the amount, if any, paid by the Alien Property Custodian in respect of such debt which was not credited by the commissioner in making his award.

"(i) The payments of the awards of the commissioner to the United States on its own behalf, on account of claims of the United States against Austria or Hungary, shall be paid into the Treasury as miscellaneous receipts.

"(j) Any amount remaining in the Austrian or the Hungarian special deposit account after all the payments authorized to be made therefrom have been completed shall be disposed of as follows:

"(1) There shall first be paid into the Treasury as miscellaneous receipts the respective amount, if any, by which the appropriations made under the authority of section 6 and deposited in such special deposit account exceed the payments authorized by such section; and

"(2) The remainder shall be refunded to Austria or Hungary, as their respective interests may appear.

FINALITY OF DECISIONS

"SEC. 8. (a) Notwithstanding the provisions of section 236 of the Revised Statutes, as amended, the decisions of the Secretary of the Treasury in respect of the funds to be paid into the German, the Austrian, or the Hungarian special deposit account and of the payments therefrom shall be final and conclusive and shall not be subject to review by any other officer of the United States, except that payments made under authority of subsection (c) or (m) of section 3 or subsection (e) of section 4 or subsection (f) of section 7 (relating to expenses of administration) shall be accounted for and settled without regard to the provisions of this subsection.

"(b) The Secretary of the Treasury, in his annual report to the Congress, shall include a detailed statement of all expenditures made in carrying out the provisions of this act.

EXCESSIVE FEES PROHIBITED

"SEC. 9. (a) The arbiter, the Commissioner of the Mixed Claims Commission appointed by the United States, and the Commissioner of the Tripartite Claims Commission, respectively, are authorized (upon request as hereinafter provided) to fix reasonable fees (whether or not fixed under any contract or agreement) for services in connection with the proceedings before the arbiter and the Mixed Claims Commission and the Tripartite Claims Commission, respectively, and with the preparations therefor, and the application for payment, and the payment, of any amount under section 2, 3, 5, or 6. Each such official is authorized and requested to mail to each claimant in proceedings before him or the commission, as the case may be, notice (in English, German, or Hungarian) of the provisions of this section. No fee shall be fixed under this subsection unless written request therefor is filed with such official before the expiration of 90 days after the date of mailing of such notice. In the case of nationals of Germany, Austria, and Hungary, such notice may be mailed to, and the written request may be filed by, the duly accredited diplomatic representative of such nation.

"(b) After a fee has been fixed under subsection (a), any person accepting any consideration (whether or not under a contract or agreement entered into prior to the enactment of this act), the aggregate value of which (when added to any consideration previously received) is in excess of the amount so fixed, for services in connection with the proceedings before the arbiter or Mixed Claims Commission or Tripartite Claims Commission, or any preparations therefor, or with the application for payment, or the payment, of any amount under section 2, 3, 5, or 6, shall, upon conviction thereof, be punished by a fine of not more than four times the aggregate value of the consideration accepted by such person therefor.

"(c) Section 20 of the trading with the enemy act, as amended, is amended by inserting after the word 'attorney' wherever it appears in such section the words 'at law or in fact.'

INVESTMENT OF FUNDS BY ALIEN PROPERTY CUSTODIAN

"SEC. 10. The trading with the enemy act, as amended, is amended by adding thereto the following new section:

"'SEC. 25. (a) (1) The Alien Property Custodian is authorized and directed to invest, from time to time upon the request of the Secretary of the Treasury, out of the funds held by the Alien Property Custodian or by the Treasurer of the United States for the Alien Property Custodian, an amount not to exceed $40,000,000 in the aggregate, in one or more participating certificates issued by the Secretary of the Treasury in accordance with the provisions of this section.

"'(2) When in the case of any trust written consent under subsection (m) of section 9 has been filed, an amount equal to the portion of such trust the return of which is temporarily postponed under such subsection shall be credited against the investment made under paragraph (1) of this subsection. If the total amount so credited is in excess of the amount invested under paragraph (1) of this subsection, the excess shall be invested by the Alien Property Custodian in accordance with the provisions of this subsection, without regard to the $40,000,000 limitation in paragraph (1). If the amount invested under paragraph (1) of this subsection is in excess of the total amount so credited, such excess shall, from time to time on request of the Alien Property Custodian, be paid to him out of the funds in the German special-deposit account created by section 4 of the settlement of war claims act of 1928, and such payments shall have priority over any payments therefrom other than the payments under paragraph (1) of subsection (c) of such section (relating to expenses of administration).

"'(b) The Alien Property Custodian is authorized and directed to invest, in one or more participating certificates issued

by the Secretary of the Treasury, out of the unallocated interest fund, as defined in section 28—

"'(1) The sum of $25,000,000. If, after the allocation under section 26 has been made, the amount of the unallocated interest fund allocated to the trusts described in subsection (c) of such section is found to be in excess of $25,000,000, such excess shall be invested by the Alien Property Custodian in accordance with the provisions of this subsection. If the amount so allocated is found to be less than $25,000,000, any participating certificate or certificates that have been issued shall be corrected accordingly; and

"'(2) The balance of such unallocated interest fund remaining after the investment provided for in paragraph (1) and the payment of allocated earnings in accordance with the provisions of subsection (b) of section 26 have been made.

"'(c) If the amount of such unallocated interest fund, remaining after the investment required by paragraph (1) of subsection (b) of this section has been made, is insufficient to pay the allocated earnings in accordance with subsection (b) of section 26, then the amount necessary to make up the deficiency shall be paid out of the funds in the German special deposit account created by section 4 of the settlement of war claims act of 1928, and such payment shall have priority over any payments therefrom other than the payments under paragraph (1) of subsection (c) of such section (relating to expenses of administration) and the payments under paragraph (2) of subsection (a) of this section.

"'(d) The Alien Property Custodian is authorized and directed (after the payment of debts under section 9) to transfer to the Secretary of the Treasury, for deposit in such special deposit account, all money and the proceeds of all property, including all income, dividends, interest, annuities, and earnings accumulated in respect thereof, owned by the German Government or any member of the former ruling family. All money and other property shall be held to be owned by the German Government (1) if no claim thereto has been filed with the Alien Property Custodian prior to the expiration of one year from the date of the enactment of the settlement of war claims act of 1928, or (2) if any claim has been filed before the expiration of such period (whether before or after the enactment of such act), then if the ownership thereof under any such claim is not established by a decision of the Alien Property Custodian or by suit in court instituted, under section 9, within one year after the decision of the Alien Property Custodian, or after the date of the enactment of the settlement of war claims act of 1928, whichever date is later. The amounts so transferred under this subsection shall be credited upon the final payment due the United States from the German Government on account of the awards of the Mixed Claims Commission.

"'(e) The Secretary of the Treasury is authorized and directed to issue to the Alien Property Custodian, upon such terms and conditions and under such regulations as the Secretary of the Treasury may prescribe, one or more participating certificates, bearing interest payable annually (as nearly as may be) at the rate of 5 per cent per annum, as evidence of the investment by the Alien Property Custodian under subsection (a), and one or more noninterest-bearing, participating certificates, as evidence of the investment by the Alien Property Custodian under subsection (b). All such certificates shall evidence a participating interest, in accordance with, and subject to the priorities of, the provisions of section 4 of the settlement of war claims act of 1928, in the funds in the German special deposit account created by such section, except that—

"'(1) The United States shall assume no liability, directly or indirectly, for the payment of any such certificates, or of the interest thereon, except out of funds in such special deposit account available therefor, and all such certificates shall so state on their face; and

"'(2) Such certificates shall not be transferable, except that the Alien Property Custodian may transfer any such participating certificate evidencing the interest of a substantial number of the owners of the money invested, to a trustee duly appointed by such owners.

"'(f) Any amount of principal or interest paid to the Alien Property Custodian in accordance with the provisions of subsection (c) of section 4 of the settlement of war claims act of 1928 shall be allocated pro rata among the persons filing written consents under subsection (m) of section 9 of this act, and the amounts so allocated shall be paid to such persons. If any person to whom any amount is payable under this subsection has died (or if, in the case of a partnership, association, or other unincorporated body of individuals, or a corporation, its existence has terminated), payment shall be made to the persons determined by the Alien Property Custodian to be entitled thereto.

"'(g) The Alien Property Custodian is authorized and directed (after the payment of debts under section 9) to transfer to the Secretary of the Treasury, for deposit in the special deposit account (Austrian or Hungarian, as the case may be), created by section 7 of the settlement of war claims act of 1928, all money and the proceeds of all property, including all income, dividends, interest, annuities, and earnings accumulated in respect thereof, owned by the Austrian Government or any corporation all the stock of which was owned by or on behalf of the Austrian Government (including the property of the Imperial Royal Tobacco Monopoly, also known under the name of K. K. Oesterreichische Tabak Regie), or owned by the Hungarian Government or by any corporation all the stock of which was owned by or on behalf of the Hungarian Government.'

RETURN TO NATIONALS OF GERMANY, AUSTRIA, AND HUNGARY OF PROPERTY HELD BY ALIEN PROPERTY CUSTODIAN

"SEC. 11. Subsection (b) of section 9 of the trading with the enemy act, as amended, is amended by striking out the punctuation at the end of paragraph (11) and inserting in lieu thereof a semicolon and the word "or" and inserting after paragraph (11) the following new paragraphs:

"'(12) A partnership, association, or other unincorporated body of individuals, or a corporation, and was entirely owned at such time by subjects or citizens of nations, States, or free cities other than Austria or Hungary or Austria-Hungary and is so owned at the time of the return of its money or other property, and has filed the written consent provided for in subsection (m); or

"'(13) A partnership, association, or other unincorporated body of individuals, having its principal place of business at such time within any country other than Austria, Hungary, or Austria-Hungary, or a corporation organized or incorporated within any country other than Austria, Hungary, or Austria-Hungary, and that the written consent provided for in subsection (m) has been filed; or

"'(14) Any individual who at such time was a citizen or subject of Germany or who at the time of the return of any money or other property is a citizen or subject of Germany or is not a citizen or subject of any nation, State, or free city, and that the written consent provided for in subsection (m) has been filed; or

"'(15) The Austro-Hungarian Bank, except that the money or other property thereof shall be returned only to the liquidators thereof; or

"'(16) An individual, partnership, association, or other unincorporated body of individuals, or a corporation, and that the written consent provided for in subsection (m) has been filed, and that no suit or proceeding against the United States or any agency thereof is pending in respect of such return, and that such individual has filed a written waiver renouncing on behalf of himself, his heirs, successors, and assigns any claim based upon the fact that at the time of such return he was in fact entitled to such return under any other provision of this act; or

"'(17) A partnership, association, or other unincorporated body of individuals, or a corporation, and was entirely owned at such time by citizens of Austria and is so owned at the time of the return of its money or other property; or

"'(18) A partnership, association, or other unincorporated body of individuals, having its principal place of business at such time within Austria, or a corporation organized or incorporated within Austria; or

"'(19) An individual who at such time was a citizen of Austria or who at the time of the return of any money or other property is a citizen of Austria; or

"'(20) A partnership, association, or other unincorporated body of individuals, or a corporation, and was entirely owned at such time by citizens of Hungary and is so owned at the time of the return of its money or other property; or

"'(21) A partnership, association, or other unincorporated body of individuals, having its principal place of business at such time within Hungary, or a cooperation organized or incorporated within Hungary; or

"'(22) An individual who at such time was a citizen of Hungary or who, at the time of the return of any money or other property, is a citizen of Hungary;—'

"SEC. 12. (a) Subsection (d) of section 9 of the trading with the enemy act, as amended, is amended to read as follows:

"'(d) Whenever an individual, deceased, would have been entitled, if living, to the return of any money or other property without filing the written consent provided for in subsection (m), then his legal representative may proceed for the return of such money or other property in the same manner as such individual might proceed if living, and such money or other property may be returned to such legal representative without requiring the appointment of an administrator, or an ancillary

administrator, by a court in the United States, or to any such ancillary administrator, for distribution directly to the persons entitled thereto. Return in accordance with the provisions of this subsection may be made in any case where an application or court proceeding by any legal representative, under the provisions of this subsection before its amendment by the settlement of war claims act of 1928, is pending and undetermined at the time of the enactment of such act. All bonds or other security given under the provisions of this subsection before such amendment shall be canceled or released and all sureties thereon discharged.'

"(b) Subsection (e) of section 9 of the trading with the enemy act, as amended, is amended by striking out the period at the end thereof and inserting a semicolon and the following: 'nor shall a debt be allowed under this section unless notice of the claim has been filed, or application therefor has been made, prior to the date of the enactment of the settlement of war claims act of 1928.'

"(c) Subsection (g) of section 9 of the trading with the enemy act, as amended, is amended to read as follows:

"'(g) Whenever an individual, deceased, would have been entitled, if living, to the return of any money or other property upon filing the written consent provided for in subsection (m), then his legal representative may proceed for the return of such money or other property in the same manner as such individual might proceed if living, and such money or other property may be returned, upon filing the written consent provided for in subsection (m), to such legal representative without requiring the appointment of an administrator, or an ancillary administrator, by a court in the United States, or to any such ancillary administrator, for distribution to the persons entitled thereto. This subsection shall not be construed as extinguishing or diminishing any right which any citizen of the United States may have had under this subsection prior to its amendment by the settlement of war claims act of 1928 to receive in full his interest in the property of any individual dying before such amendment.'

"SEC. 13. Subsections (j) and (k) of section 9 of the trading with the enemy act, as amended, are amended so as to comprise three subsections, to read as follows:

"'(j) The Alien Property Custodian is authorized and directed to return to the person entitled thereto, whether or not an enemy or ally of enemy and regardless of the value, any patent, trade-mark, print, label, copyright, or right therein or claim thereto, which was conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him, and which has not been sold, licensed, or otherwise disposed of under the provisions of this act, and to return any such patent, trade-mark, print, label, copyright, or right therein or claim thereto, which has been licensed, except that any patent, trade-mark, print, label, copyright, or right therein or claim thereto, which is returned by the Alien Property Custodian and which has been licensed, or in respect of which any contract has been entered into, or which is subject to any lien or encumbrance, shall be returned subject to the license, contract, lien, or encumbrance.

"'(k) Except as provided in section 27, paragraphs (12) to (22), both inclusive, of subsection (b) of this section shall apply to the proceeds received from the sale, license, or other disposition of any patent, trade-mark, print, label, copyright, or right therein or claim thereto, conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him.

"'(l) This section shall apply to royalties paid to the Alien Property Custodian, in accordance with a judgment or decree in a suit brought under subsection (f) of section 10; but shall not apply to any other money paid to the Alien Property Custodian under section 10.'

"SEC. 14. Section 9 of the trading with the enemy act, as amended, is amended by adding at the end thereof the following new subsections:

"'(m) No money or other property shall be returned under paragraphs (12), (13), (14), or (16) of subsection (b) or under subsection (g) or (n) or (to the extent therein provided) under subsection (p), unless the person entitled thereto files a written consent to a postponement of the return of an amount equal to 20 per cent of the aggregate value of such money or other property (at the time, as nearly as may be, of the return), as determined by the Alien Property Custodian, and the investment of such amount in accordance with the provisions of section 25. Such amount shall be deducted from the money to be returned to such person, so far as possible, and the balance shall be deducted from the proceeds of the sale of so much of the property as may be necessary, unless such person pays the balance to the Alien Property Custodian, except that no property shall be so sold prior to the expiration of six years from the date of the enactment of the settlement of war claims act of 1928 without the consent of the person entitled thereto. The amounts so deducted shall be returned to the persons entitled thereto as provided in subsection (f) of section 25. The sale of any such property shall be made in accordance with the provisions of section 12, except that the provisions of such section relating to sales or resales to, or for the benefit of, citizens of the United States shall not be applicable. If such aggregate value of the money or other property to be returned under paragraphs (12), (13), (14), or (16) of subsection (b) or under subsection (g) is less than $2,000, then the written consent shall not be required and the money or other property shall be returned in full without the temporary retention and investment of 20 per cent thereof.

"'(n) In the case of property consisting of stock or other interest in any corporation, association, company, or trust, or bonded or other indebtedness thereof, evidenced by certificates of stock or by bonds or by other certificates of interest therein or indebtedness thereof, or consisting of dividends or interest or other accruals thereon, where the right, title, and interest in the property (but not the actual certificate or bond or other certificate of interest or indebtedness) was conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or seized by him, if the President determines that the owner thereof or of any interest therein has acquired such ownership by assignment, transfer, or sale of such certificate or bond or other certificate of interest or indebtedness (it being the intent of this subsection that such assignment, transfer, or sale shall not be deemed invalid hereunder by reason of such conveyance, transfer, assignment, delivery, or payment to the Alien Property Custodian or seizure by him), and that the written consent provided for in subsection (m) has been filed, then the President may make in respect of such property an order of the same character, upon the same conditions, and with the same effect, as in cases provided for in subsection (b), including the benefits of subsection (c).

"'(o) The provisions of paragraph (12), (13), (14), (17), (18), (19), (20), (21), or (22) of subsection (b), or of subsection (m) or (n) of this section, and (except to the extent therein provided) the provisions of paragraph (16) of subsection (b), shall not be construed as diminishing or extinguishing any right under any other provision of this act in force immediately prior to the enactment of the settlement of war claims act of 1928.

"'(p) The Alien Property Custodian shall transfer the money or other property in the trust of any partnership, association, or other unincorporated body of individuals, or corporation, the existence of which has terminated, to trusts in the names of the persons (including the German Government and members of the former ruling family) who have succeeded to its claim or interest; and the provisions of subsection (a) of this section relating to the collection of a debt (by order of the President or of a court) out of money or other property held by the Alien Property Custodian or the Treasurer of the United States shall be applicable to the debts of such successor and any such debt may be collected out of the money or other property in any of such trusts if not returnable under subsection (a) of this section. Subject to the above provisions as to the collection of debts, each such successor (except the German Government and members of the former ruling family) may proceed for the return of the amount so transferred to his trust, in the same manner as such partnership, association, or other unincorporated body of individuals, or corporation might proceed if still in existence. If such partnership, association, or other unincorporated body of individuals, or corporation, would have been entitled to the return of its money or other property only upon filing the written consent provided for in subsection (m), then the successor shall be entitled to the return under this subsection only upon filing such written consent.

"'(q) The return of money or other property under paragraph (15), (17), (18), (19), (20), (21), or (22) of subsection (b) (relating to the return to Austrian and Hungarian nationals) shall be subject to the limitations imposed by subsections (d) and (e) of section 7 of the settlement of war claims act of 1928.'

"SEC. 15. The trading with the enemy act, as amended, is amended by adding thereto the following new sections:

"'SEC. 26. (a) The Alien Property Custodian shall allocate among the various trusts the funds in the "unallocated interest fund" (as defined in section 28). Such allocation shall be based upon the average rate of earnings (determined by the Secretary of the Treasury) on the total amounts deposited under section 12.

"'(b) The Alien Property Custodian, when the allocation has been made, is authorized and directed to pay to each person entitled, in accordance with a final decision of a court of the United States or of the District of Columbia, or of an opinion

of the Attorney General, to the distribution of any portion of such unallocated interest fund, the amount allocated to his trust, except as provided in subsection (c) of this section.

"'(c) In the case of persons entitled, under paragraph (12), (13), (14), or (16) of subsection (b) of section 9, to such return, and in the case of persons who would be entitled to such return thereunder if all such money or property had not been returned under paragraph (9) or (10) of such subsection, and in the case of persons entitled to such return under subsection (n) of section 9, an amount equal to the aggregate amount allocated to their trusts shall be credited against the sum of $25,000,000 invested in participating certificates under paragraph (1) of subsection (b) of section 25. If the aggregate amount so allocated is in excess of $25,000,000, an amount equal to the excess shall be invested in the same manner. Upon the repayment of any of the amounts so invested, under the provisions of section 4 of the settlement of war claims act of 1928, the amount so repaid shall be distributed pro rata among such persons, notwithstanding any receipts or releases given by them.

"'(d) The unallocated interest fund shall be available for carrying out the provisions of this section, including the expenses of making the allocation.

"'SEC. 27. The Alien Property Custodian is authorized and directed to return to the United States any consideration paid to him by the United States under any license, assignment, or sale by the Alien Property Custodian to the United States of any patent (or any right therein or claim thereto, and including an application therefor and any patent issued pursuant to any such application).

"'SEC. 28. As used in this act, the term "unallocated interest fund" means the sum of (1) the earnings and profits accumulated prior to March 4, 1923, and attributable to investments and reinvestments under section 12 by the Secretary of the Treasury, plus (2) the earnings and profits accumulated on or after March 4, 1923, in respect of the earnings and profits referred to in clause (1) of this section.

"'SEC. 29. (a) Where the Alien Property Custodian has made demand or requirement for the conveyance, transfer, assignment, delivery, or payment to him of any money or other property of any enemy or ally of enemy (whether or not suit or proceeding for the enforcement thereof has been begun and whether or not any judgment or decree in respect thereof has been made or entered) and where the whole or any part of such money or other property would, if conveyed, transferred, assigned, delivered, or paid to him, be returnable under any provision of this act, the Alien Property Custodian may, in his discretion, and on such terms and conditions as he may prescribe, waive such demand or requirement, or accept in full satisfaction of such demand, requirement, judgment, or decree, a less amount than that demanded or required by him.

"'(b) The Alien Property Custodian shall not make any such waiver or compromise except with the approval of the Attorney General; nor (if any part of such money or property would be returnable only upon the filing of the written consent required by subsection (m) of section 9) unless, after compliance with the terms and conditions of such waiver or compromise, the Alien Property Custodian or the Treasurer of the United States will hold (in respect of such enemy or ally of enemy) for investment as provided in section 25, an amount equal to 20 per cent of the sum of (1) the value of the money or other property held by the Alien Property Custodian or the Treasurer of the United States at the time of such waiver or compromise, plus (2) the value of the money or other property to which the Alien Property Custodian would be entitled under such demand or requirement if the waiver or compromise had not been made.

"'(c) Where the Alien Property Custodian has made demand or requirement for the conveyance, transfer, assignment, delivery, or payment to him of any money or other property of any enemy or ally of enemy (whether or not suit or proceeding for the enforcement thereof has been begun and whether or not any judgment or decree in respect thereof has been made or entered) and where the interest or right of such enemy or ally of enemy in such money or property has not, prior to the enactment of the settlement of war claims act of 1928, vested in enjoyment, the Alien Property Custodian may, in his discretion, and on such terms and conditions as he may prescribe, waive such demand and requirement, without compliance with the requirements of subsection (b) of this section, but only with the approval of the Attorney General.

"'(d) Nothing in this section shall be construed as requiring the Alien Property Custodian to make any waiver or compromise authorized by this section, and the Alien Property Custodian may proceed in respect of any demand or requirement referred to in subsection (a) or (c) as if this section had not been enacted.

"'(e) All money or other property received by the Alien Property Custodian as a result of any action or proceeding—whether begun before or after the enactment of the settlement of war claims act of 1928, and whether or not for the enforcement of a demand or requirements as above specified—shall for the purposes of this act be considered as forming a part of the trust in respect of which such action or proceeding was brought, and shall be subject to return in the same manner and upon the same conditions as any other money or property in such trust, except as otherwise provided in subsection (b) of this section.

"'SEC. 30. Any money or other property returnable under subsection (b) or (n) of section 9 shall, at any time prior to such return, be subject to attachment in accordance with the provisions of the code of law for the District of Columbia, as amended, relating to attachments in suits at law, and to attachments for the enforcement of judgments at law and decrees in equity, but any writ of attachment or garnishment issuing in any such suit, or for the enforcement of any judgment or decree, shall be served only upon the Alien Property Custodian, who shall for the purposes of this section be considered as holding credits in favor of the person entitled to such return to the extent of the value of the money or other property so returnable. Nothing in this section shall be construed as authorizing the taking of actual possession, by any officer of any court, of any money or other property held by the Alien Property Custodian or by the Treasurer of the United States.

"'SEC. 31. As used in this act, the term "member of the former ruling family" means (1) any person who was at any time between April 6, 1917, and July 2, 1921, the German Emperor or the ruler of any constituent kingdom of the German Empire, or (2) the wife or any child of such person.'

FUGITIVES FROM JUSTICE

"SEC. 16. Section 22 of the trading with the enemy act, as amended, is amended to read as follows:

"'SEC. 22. No person shall be entitled to the return of any property or money under any provision of this act, or any amendment of this act, who is a fugitive from justice of the United States or any State or Territory thereof, or the District of Columbia.'

RETURN OF INCOME

"SEC. 17. Section 23 of the trading with the enemy act, as amended, is amended to read as follows:

"'SEC. 23. The Alien Property Custodian is directed to pay to the person entitled thereto, from and after March 4, 1923, the net income (including dividends, interest, annuities, and other earnings), accruing and collected thereafter, in respect of any money or property held in trust for such person by the Alien Property Custodian or by the Treasurer of the United States for the account of the Alien Property Custodian, under such rules and regulations as the President may prescribe.'

TAXES

"SEC. 18. Section 24 of the trading with the enemy act, as amended, is amended by inserting '(a)' after the section number and by adding at the end of such section new subsections to read as follows:

"'(b) In the case of income, war-profits, excess-profits, or estate taxes imposed by any act of Congress, the amount thereof shall, under regulations prescribed by the Commissioner of Internal Revenue with the approval of Secretary of the Treasury, be computed in the same manner (except as hereinafter in this section provided) as though the money or other property had not been seized by or paid to the Alien Property Custodian, and shall be paid, as far as practicable, in accordance with subsection (a) of this section. Pending final determination of the tax liability the Alien Property Custodian is authorized to return, in accordance with the provisions of this act, money or other property in any trust in such amounts as may be determined, under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, to be consistent with the prompt payment of the full amount of the internal-revenue taxes.

"(c) So much of the net income of a taxpayer for the taxable year 1917, or any succeeding taxable year, as represents the gain derived from the sale or exchange by the Alien Property Custodian of any property conveyed, transferred, assigned, delivered, or paid to him, or seized by him, may at the option of the taxpayer be segregated from the net income and separately taxed at the rate of 30 per cent. This subsection shall be applied and the amount of net income to be so segregated shall be determined, under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the

Treasury, as nearly as may be in the same manner as provided in section 208 of the revenue act of 1926 (relating to capital net gains), but without regard to the period for which the property was held by the Alien Property Custodian before its sale or exchange, and whether or not the taxpayer is an individual.

"(d) Any property sold or exchanged by the Alien Property Custodian (whether before or after the date of the enactment of the settlement of war claims act of 1928) shall be considered as having been compulsory or involuntarily converted, within the meaning of the income, excess-profits, and war-profits tax laws and regulations; and the provisions of such laws and regulations relating to such a conversion shall (under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury) apply in the case of the proceeds of such sale or exchange. For the purpose of determining whether the proceeds of such conversion have been expended within such time as will entitle the taxpayer to the benefits of such laws and regulations relating to such a conversion, the date of the return of the proceeds to the person entitled thereto shall be considered as the date of the conversion.

"(e) In case of any internal-revenue tax imposed in respect of property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or seized by him, and imposed in respect of any period (in the taxable year 1917 or any succeeding taxable year) during which such property was held by him or by the Treasurer of the United States, no interest or civil penalty shall be assessed upon, collected from, or paid by or on behalf of, the taxpayer; nor shall any interest be credited or paid to the taxpayer in respect of any credit or refund allowed or made in respect of such tax.

"'(f) The benefits of subsections (c), (d), and (e) shall be extended to the taxpayer if claim therefor is filed before the expiration of the period of limitations properly applicable thereto, or before the expiration of six months after the date of the enactment of the settlement of war claims act of 1928, whichever date is the later. The benefits of subsection (d) shall also be extended to the taxpayer if claim therefor is filed before the expiration of six months after the return of the proceeds.'

"SEC. 19. Subsection (f) of section 10 of the trading with the enemy act, as amended, is amended by adding at the end thereof the following new paragraph:

"'In the case of any such patent, trade-mark, print, label, or copyright, conveyed, assigned, transferred, or delivered to the Alien Property Custodian or seized by him, any suit brought under this subsection, within the time limited therein, shall be considered as having been brought by the owner within the meaning of this subsection, in so far as such suit relates to royalties for the period prior to the sale by the Alien Property Custodian of such patent, trade-mark, print, label, or copyright, if brought either by the Alien Property Custodian or by the person who was the owner thereof immediately prior to the date such patent, trade-mark, print, label, or copyright was seized or otherwise acquired by the Alien Property Custodian.'

"SEC. 20. The proviso of paragraph (10) of subsection (b) of section 9 of the trading with the enemy act, as amended (relating to the return to certain insurance companies), is repealed.

SHIP CLAIMS OF FORMER GERMAN NATIONALS

"SEC. 21. (a) It shall be the duty of the arbiter to hear the claims of any partnership, association, joint-stock company, or corporation, and to determine the amount of compensation to be paid to it by the United States, in respect of the merchant vessels *Carl Diederichsen* and *Johanne* (including any equipment, appurtenances, and property contained therein), title to which was taken by or on behalf of the United States under the authority of the joint resolution of May 12, 1917, and which were subsequently sold by or on behalf of the United States. Such compensation shall be determined as provided in paragraph (1) of subsection (b) of section 3 of this act, but the aggregate compensation shall not exceed, in the case of the *Carl Diederichsen*, $166,787.78 and in the case of the *Johanne*, $174,600 (such amounts being the price for which the vessels were sold, less the cost of reconditioning). The arbiter shall not make any award under this section in respect of the claim of any partnership, association, joint-stock company, or corporation unless it appears to his satisfaction that all its members and stockholders who were, on April 6, 1917, citizens or subjects of Germany, became, by virtue of any treaty of peace or plebiscite held or further treaty concluded under such treaty of peace, citizens or subjects of any nation other than Germany, and that all its members and stockholders on the date of the enactment of this act were on such date citizens or subjects of nations other than Germany.

"(b) Upon the determination by him of such compensation the arbiter shall enter an award in favor of such person of the amount of such compensation and shall certify such award to the Secretary of the Treasury. The amount of such award, together with interest thereon, at the rate of 5 per cent per annum, from July 2, 1921, until the date of such payment, shall be paid by the Secretary of the Treasury, in accordance with such regulations as he may prescribe. There is authorized to be appropriated such amount as may be necessary to make such payment.

"(c) No payment shall be made in respect of any award under this section unless application therefor is made, within two years after the date such award is certified, in accordance with such regulations as the Secretary of the Treasury may prescribe, and payment shall be made only to the person on behalf of whom the award was made except in the cases specified in paragraphs (1) to (4) of subsection (k) of section 3. The provisions of subsections (c), (l), (m), (o), and (r) of section 3 shall be applicable in carrying out the provisions of this section.

"(d) The provisions of this section shall constitute the exclusive method for the presentation and payment of claims arising out of any of the acts by or on behalf of the United States for which this section provides a remedy. Any person who files any claim or makes application for any payment under this section shall be held to have consented to all the provisions of this act. This subsection shall not bar the presentation of a claim under section 3 (relating to the ship claims of German nationals) in respect of the taking of the vessel *Carl Diederichsen* or the vessel *Johanne;* but no award shall be made under section 3 in respect of either of such vessels to or on behalf of any person to whom or on whose behalf an award is made under this section in respect of such vessel.

DEFINITIONS

"SEC. 22. As used in this act—

"(a) The term 'person' means an individual, partnership, association, or corporation.

"(b) The term 'German national' means—

"(1) An individual who, on April 6, 1917, was a citizen or subject of Germany, or who, on the date of the enactment of this act, is a citizen or subject of Germany.

"(2) A partnership, association, or corporation, which on April 6, 1917, was organized or created under the law of Germany.

"(3) The Government of Germany.

"(c) The term 'member of the former ruling family' means (1) any person who was at any time between April 6, 1917, and July 2, 1921, the German Emperor or the ruler of any constituent kingdom of the German Empire, or (2) the wife or any child of such person.

"(d) The term 'Austrian national' means—

"(1) An individual who, on December 7, 1917, was a citizen of Austria, or who, on the date of the enactment of this act, is a citizen of Austria.

"(2) A partnership, association, or corporation which on December 7, 1917, was organized or created under the law of Austria.

"(3) The Government of Austria.

"(e) The term 'Hungarian national' means—

"(1) An individual who, on December 7, 1917, was a citizen of Hungary, or who, on the date of the enactment of this act, is a citizen of Hungary.

"(2) A partnership, association, or corporation which, on December 7, 1917, was organized or created under the law of Hungary.

"(3) The Government of Hungary.

"(f) The term 'United States' when used in a geographical sense includes the Territories and possessions of the United States and the District of Columbia.

LEGISLATIVE COUNSEL AND SPECIAL ASSISTANT TO SECRETARY OF THE TREASURY

"SEC. 23. (a) Section 1303(d) of the revenue act of 1918, as amended by section 1101 of the revenue act of 1924, is amended by adding at the end thereof a sentence to read as follows: 'Notwithstanding the foregoing provisions, the compensation of each of the two legislative counsel in office upon the date of the enactment of the settlement of war claims act of 1928 shall, after such date, be at the rate of $10,000 a year.'

"(b) The salary of the special assistant to the Secretary of the Treasury in matters of legislation, so long as the position is held by the present incumbent, shall be at the rate of $10,000 a year."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

W. R. GREEN,
W. C. HAWLEY,
ALLEN T. TREADWAY,
JOHN N. GARNER,
J. W. COLLIER,
Managers on the part of the House.

REED SMOOT,
CHARLES CURTIS,
DAVID A. REED,
PETER G. GERRY,
PAT HARRISON,
Managers on the part of the Senate.

Mr. SMOOT. Mr. President, in presenting the report of the conference on the settlement of war claims act, it may be well for me to explain briefly the action of the conference. The differences between the Senate and the House were not great and, except in one or two instances, occasioned practically no difficulties.

DECLARATION OF POLICY

The Senate struck out the declaration of policy contained in section 2 of the House bill, and the House receded.

AUSTRIA AND HUNGARY

The Senate adopted a series of amendments relating to the Austrian and Hungarian situation; and the House accepted all of them. Under the bill, consequently, all the property held by the Alien Property Custodian of Austrian or Hungarian nationals, including their proper share of the unallocated interest fund, will be returned and all claims of their nationals against the United States for patents used or purchased by the United States will be adjudicated and paid in full as soon as their government provides for the payment of the claims of American nationals.

CLAIMS OF AMERICAN NATIONALS AGAINST GERMANY

The Senate amendment contained a provision intended to relieve the situation occasioned by the failure of American claimants to file their claims within the six months' period specified in the exchange of notes at the time of signing the agreement creating the Mixed Claims Commission. This provision requests the President to enter into negotiations with the German Government with a view to extending the time so that claims otherwise within the jurisdiction of the Mixed Claims Commission can be considered by it if presented at any time prior to July 1, 1928. This provision was accepted by the House with an amendment providing for the filing of the claims with the State Department rather than their presentation to the Mixed Claims Commission, prior to July 1, 1928. Claims which have already been filed with the State Department should be presented by the State Department to the Mixed Claims Commission without imposing upon the claimants the additional burden of again filing their claims.

The Senate authorized the Secretary of the Treasury to make payments to American claimants under paragraph (5) of subsection (c) of section 4, without waiting for the Mixed Claims Commission to complete its consideration of the claims presented to it. This provision should expedite payments to American citizens considerably and was accepted by the House.

The Senate also provided that $40,000,000 of the funds in the hands of the Alien Property Custodian should be immediately available for the payment of awards of the Mixed Claims Commission, without awaiting the decisions of the Alien Property Custodian upon the claims filed with him. The House receded.

CLAIMS OF GERMAN NATIONALS AGAINST THE UNITED STATES

The Senate provided that the appointment of the arbiter, who is to adjudicate the claims against the United States for ships, patents, and the radio station, should be subject to confirmation by the Senate. This provision was accepted.

The Senate provisions for the appointment of a special counsel to represent the United States in the proceedings before the arbiter were eliminated.

The provisions of the Senate proposing to adjudicate and pay claims on account of the Tuckerton radio station were also stricken out.

The Senate provided that the awards of the arbiter should include interest to January 1, 1929, instead of to January 1, 1928, as in the House bill, so as to include an additional year's interest in the maximum limitation. This provision was accepted.

The Senate amendment provided that the findings of the Naval Board of Survey as to the values of the ships should be competent evidence in the proceedings before the arbiter. The House accepted this provision.

The Senate amendment placed upon the claimants before the arbiter the burden of proving that neither the German Government nor any member of the former ruling family had any interest, direct or indirect, in the ships; and the House receded.

The Senate also inserted a definition of the term "member of the former ruling family," to be applicable to claims before the arbiter and also to the return of property held by the Alien Property Custodian. The rulers of the constituent States of the German Empire were included in the definition, the effect of which was to prevent the payment of any compensation or the return of any alien property to them. The provisions of the House bill had limited the term to the German Emperor and his family. The conference action proposes to amend the Senate definition so that it will be applicable only to the German Emperor and the Kings of the three constituent kingdoms—Bavaria, Saxony, and Wurttemberg, the Emperor having been also the King of Prussia—and their wives and children.

The Senate inserted a separate section providing for the payment of compensation on account of two ships which were owned by German associations or corporations all the German members of which became, under the plebiscite under the Versailles treaty, citizens of Denmark, and who are, on the date that the bill becomes law, citizens of a country other than Germany. This provision was accepted by the House with an amendment making it clear that all the interests on the date that the bill becomes law are non-German, whether or not the individuals now having an interest are the same as those formerly having an interest.

RETURN OF ALIEN PROPERTY

The Senate amendment provided that all property held by the Alien Property Custodian should be considered as the property of the German Government if a claim therefor was not filed within six months or if the ownership thereof was not established under a claim duly filed. The House accepted this provision with amendments permitting claims to be filed within one year after the bill becomes law and providing that if a claim is or has been filed, the ownership must be established by a decision of the Alien Property Custodian or by a court decision in an action heretofore instituted, or instituted within one year after the decision of the Alien Property Custodian, or, in cases where the custodian has already decided the claim, then if instituted within one year from the date on which the bill becomes law. No limitation is imposed, of course, upon the time within which the Alien Property Custodian must reach his decision.

The Senate amendment enlarged paragraph (16) of subsection (b) of section 9 of the trading with the enemy act, so that any individual, partnership, association, or corporation could elect to apply for the return of property under this paragraph, without proof of citizenship or nationality, if they were willing to file the written consent to the retention of 20 per cent of the property. The House receded.

The Senate provided in its amendment to subsections (d), (g), and (p) of section 9 of the trading with the enemy act that in the case of the dissolution of the partnership, association, or corporation the successors in interest would proceed for the return in the same manner as the original owner, and that the right to the return of all or a part of the property would be dependent upon the status of the former owner, rather than the status of the successors in interest. This provision was accepted by the House.

The Senate provided that trusts of less than $2,000 could be returned to German nationals in full. The House receded.

The Senate removed the limitations in section 12 of the trading with the enemy act upon sales by the Alien Property Custodian, so that the sales would not be restricted to American citizens. This provision was accepted.

The Senate authorized the Alien Property Custodian to waive or compromise outstanding demands or actions in any case with the approval of the Attorney General, and also permitted the waiver of outstanding demands for interest not vested in enjoyment, without regard to the provisions requiring the Alien Property Custodian to hold 20 per cent of the property of German nationals. These provisions were accepted by the House.

The Senate amendment providing that all moneys recovered in suits brought by the Alien Property Custodian should be placed in the trust in respect of which the suit was brought was also accepted by the House.

The Senate amended subsection (f) of section 10 of the trading with the enemy act so as to provide that suits for reasonable royalties brought either by the original owners of the patents or by the Alien Property Custodian should be considered as having been properly brought for the purposes of this section. It will be noted that subsection (1) of section 9, added by section 13 of the bill, provides that royalties recovered by the Alien Property Custodian in suits instituted by him will be

returned under section 9 to the former German owner. The House receded.

The Senate added two provisions relative to the return of money held by the Alien Property Custodian and belonging to insurance companies. During the enactment of the Winslow Act the Senate added a proviso to paragraph (10) of subsection (b) of section 9 of the trading with the enemy act prohibiting the return under this paragraph to insurance companies unless and until the companies paid claims filed against them. The House insisted that this proviso be repealed and accordingly the Senate amendment—section 20 of the Senate bill—was adopted. The Senate also added a provision prohibiting any return to the insurance companies until suits brought against them, in which the statute of limitations was suspended and in which any number of claimants could join, had been satisfied. This provision is eliminated.

In order to afford a remedy for American creditors of persons whose property is held by the Alien Property Custodian, the Senate provided that any money or other property returnable under subsection (b) or (n) of section 9 should be subject to attachment. This provision was accepted by the House, with an amendment making clear that it was also applicable to attachments for the purpose of enforcing judgments or decrees. The Senate amendment also contained a paragraph the effect of which was to make the principles of law and equity in force in the District of Columbia applicable to suits brought against any person to whom any money or other property was returnable involving a purchase of shares in an American corporation. This paragraph was eliminated.

The Senate amendment provided that the participating certificates representing the interest of German nationals in the unallocated interest fund should bear simple interest at the rate of 5 per cent per annum, payable after all other payments under the bill had been completed. This provision was eliminated.

ATTORNEYS' FEES

The Senate bill provided for the fixing of attorneys' fees in every case in the proceedings before the Mixed Claims Commission, the Tripartite Claims Commission, or the arbiter and, in addition to the fine imposed for a violation, provided that any attorney who violates the provisions of the section should be disqualified from practice before the executive departments. This provision was accepted with an amendment providing for the fixing of attorneys' fees only in case of a request from the client within 60 days after the mailing of a notice to him, and imposing as a penalty a fine of not more than four times the amount of the aggregate consideration accepted. It was felt that the ordinary disbarment proceedings were adequate.

FEDERAL TAXATION

The House bill provided that the Federal taxes should be computed in the same manner as though the property had not been seized by the Alien Property Custodian, and should be paid wherever possible out of the funds held by the Alien Property Custodian. The Senate added five qualifications: First, that, in the case of the disposition of capital assets, the rate should not exceed 12½ per cent; second, that the provisions of the regulations and laws relating to involuntary conversion should be applicable; third, that no interest or penalties should be payable by the taxpayer and that no interest on refunds should be payable by the Government; fourth, that claims for refund could be filed within six months after the bill becomes law, notwithstanding the expiration of the ordinary statutory period, and according to the Government the corresponding right to assess within six months; and fifth, that tentative returns could be filed and tentative assessments made, and that the 20 per cent of the property withheld should be retained by the Alien Property Custodian as security for the payment of any deficiency finally determined to be due. The first provision was accepted by the House with an amendment making the maximum rate 30 per cent and also making it certain that it applies to partnerships, associations, and corporations as well as to individuals. The second and third provisions were accepted without change. The fourth provision was amended so as to permit the filing of claims for refund solely for the purpose of obtaining the benefit of the provisions just referred to. A substitute for the fifth provision was agreed to, permitting the return, prior to a final determination of tax liability, under Treasury regulations which will protect the interests of the Government. For example, a partial return could be authorized if the remainder (not including the 20 per cent) would be sufficient to meet the probable tax liability, or if a bond were given in an amount sufficient to cover the probable tax liability.

ABOLITION OF ALIEN PROPERTY CUSTODIAN'S OFFICE

The Senate bill provided that upon the expiration of 18 months the Alien Property Custodian's office should be abolished and its functions transferred to the Treasury Department. This provision is stricken out.

CONCLUSION

I believe that this bill presents one of the most important matters of legislation which have been before Congress. It is far-reaching in international policy, it involves tremendous sums of money, and it affects a vast number of persons. The basic policies of the bill are sound. I am glad, indeed, that it is soon to become law.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SHORTRIDGE. Mr. President, it may appear ungracious for me to throw in a discordant note. That it is a very important report which we now have under consideration is manifestly so, and that it has met with the unqualified—I will not say hasty—approval of the Senate conferees is a matter perhaps in doubt. It does not meet with my approval, however, which at this stage of proceedings may be of little consequence. I listened to the Senator from Utah [Mr. SMOOT] in vain to hear some comment in respect of an amendment which was put on the bill and was in the bill when it left the Senate. That amendment was found on pages 104 and 105 of the bill.

Mr. SMOOT. That amendment had reference to money held by the Alien Property Custodian and belonging to certain insurance companies?

Mr. SHORTRIDGE. Yes, sir; my amendment did have reference to certain moneys in the hands of the Alien Property Custodian belonging provisionally to certain fire insurance companies which once operated in California, in San Francisco, and which funds were seized long ago by virtue of an amendment to the trading with the enemy act and held by virtue of an amendment which I caused to be made to what was known as the Winslow bill.

The Senate will recall that it seemed proper and just and perhaps wise to amend the trading with the enemy act so as to permit the withdrawal from the custody of this country of certain property up to, I believe, $10,000, but, due to an amendment which I was happy to have adopted to that proposed amendment of the main act, three German fire-insurance companies were not permitted to avail themselves of the law concerning the withdrawal of funds.

I will trouble those who are listening to recall briefly certain tragic facts. It was on the morning of April 18, 1906, when the earth trembled and in San Francisco there was a great catastrophe. To be very plain about it, there was an earthquake. It was followed by a great and destructive fire, and what was once the beautiful city lay in ashes. The cottage and the palace, the humble church and the noble cathedral, the whole building structure of the city lay in ashes and the people were prostrated by the great catastrophe.

These German fire-insurance companies had outstanding and in full force and effect a great many policies. Such was the distress of the people, such was the pressing necessity resting on them, that, as charged, certain settlements were secured by the gross, the wicked fraud of these companies.

Gentlemen of the highest character, lawyers of eminence representing hundreds of claimants, have asked Congress to withhold money of these companies now in the hands of the Alien Property Custodian until just settlement shall be made with these companies. It is charged, Mr. President, that these settlements were secured by gross fraud, such fraud, indeed, as would cause any court of equity in the civilized world to set them aside. Contracts entered into through false words spoken or true words withholden, contracts entered into through gross misrepresentation of facts, of course will be set aside in any court of equity in any civilized country on the rolling earth.

I will not now take up the time to go into detail as to the nature or character of the fraudulent acts or representations which resulted in these settlements; but perhaps to make the matter clear I should say that under the state of facts and the law it has been necessary, and it is necessary, for these claimants to go into a court of equity and have these contracts set aside. The claimants, however, filed their claims with the Alien Property Custodian; but it was necessary, as stated—and the claimants were so advised—to bring actions in a court of equity, in the Federal court exercising equity jurisdiction, to avoid or set aside these contracts.

Now, what have I asked, and what do these claimants ask, and what was incorporated in this bill as it went from the Senate? It was this:

That these claimants might assign or combine the various claims so that one action might be brought and all contracts determined to be valid or invalid as the truth might develop.

It was a question of law and procedure in the Federal courts as to whether you may thus assign various claims to one who may become the plaintiff in the action. Therefore, the bill asked that all these claims might be combined in one action, thus and thereby saving expense and time of all parties concerned.

What else was asked? This:

Time has run. Time has the habit of running. It is ever on the wing, and therefore it was well understood by everybody that if these citizens of California should go into the court and seek to avoid these fraudulent contracts, these same German fire-insurance companies could and no doubt would interpose the statute of limitations or the equitable defense of laches; wherefore we have asked that as to the statute of limitations or the equitable defense of laches these prospective defendants might not be permitted to interpose either of those defenses.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Utah?

Mr. SHORTRIDGE. Certainly.

Mr. KING. Information was brought to my attention during the consideration of the bill in the Finance Committee that most, if not all, of the claims of California citizens for relief were against German companies and some American companies bearing German names that are getting nothing whatever under this bill; in other words, that the two or three insurance companies that have funds in the hands of the Alien Property Custodian did make settlement with all of the persons who were insured by them, paying as much as 75 and 80 per cent, and in some instances more. My information was that there were some companies, however, two or three of them American companies bearing German names, and several German companies, that did not make proper or adequate settlement with their insured, but that those corporations are not beneficiaries under this bill. I should be glad to be advised if such is the fact.

Mr. SHORTRIDGE. I understand that this amendment was introduced, this legislation is sought, in behalf of claimants against three certain companies, and I will advertise them by naming them—the Hamburg-Bremen, the Aschen Munich, and the Prussian National Fire Insurance Cos. This amendment and this proposed legislation refers to and aims at those three companies.

As to other companies referred to by the Senator, there may be other frauds committed. I am not prepared to say, to admit, or to deny. But gentlemen of character—not pettifoggers, not police-court shysters, but lawyers of eminence and established reputation and of learning—have fathered this proposed legislation; and they have said, as I in a poor way have said, that the purpose of this legislation was not to do more than to have a court of equity, a United States court exercising equitable jurisdiction, pass on the merits of certain contracts which, it is alleged, were entered into through gross fraud; and to the end that the court might pass upon the contracts on their merits the Congress was asked to provide in this bill that these companies might not come into court and in effect say, "Yes; we did enter into these contracts through fraud, but the statute of limitations protects us, or the doctrine of laches protects us," and send the complainants away without any relief.

That is all that has been asked—to join in one action all these three or four or five hundred claims, and provide that the statute of limitations or the doctrine of laches might not be interposed to defeat a trial upon the merits.

Now, I will trouble the Senate for a moment longer to say this:

I do not wish to do more than merely ask the Senate in memory to picture conditions in San Francisco as of the time of entering into these contracts. Babylon in all her desolation was not to be compared to the conditions in that once great, majestic, beautiful city. I am grateful and happy to add that she has risen, and stands to-day by the Golden Gate one of the most beautiful cities in all the world. But as of the time these contracts were entered into by these people, they were in great distress. In the contemplated action the court would, of course, consider all the facts laid before it, and if it be that fraud was practiced the court would so determine. As I have said to gentlemen representing these companies, I should think they would welcome an opportunity to show that they had acted in the utmost good faith, to the end that if they are right they would be vindicated, their reputation enhanced, and commercially speaking, they would be benefited. But they have refused and fought against coming into court and laying the cards on the table.

"How was this fraud accomplished?" may still be asked. It was represented that these companies were bankrupt, that they had no funds in America subject to attachment, no funds with which to pay the adjusted claims; and gentlemen here familiar with legal procedure will remember that as of that time—and I think now—a judgment obtained against any one of those companies in America could not be enforced in a German court, as judgments obtained against nationals of Great Britain or Italy or France, for example, could have been and can now be enforced. Under the law as it then was, if you obtained a judgment here in America against one of those companies and proceeded to Germany to enforce it, you had to commence the action anew and try the case de novo. You could not file an exemplified or certified copy of the judgment and then seek execution of it, as you could in a case of a judgment lodged in an English court. Therefore the San Francisco claimants were told, in effect, this: "We have no money here to pay these adjusted losses. You accept this amount or proceed to Germany and enforce your claims there."

In a word, and for brevity, the facts as charged here—and I will not take the time to run over them—if true, I venture to express the opinion, would cause a court of equity to set aside these agreements. But it is not for me to give my opinion or ask the Senate and Congress to rely wholly upon it. The papers in the case set out the facts; the attorneys representing these claimants vouch for them and claim that they can establish them all and are willing to leave the matter, then, to a court of equity.

I was hopeful, Mr. President, that the Senate conferees might persuade the conferees of the House to retain this amendment in whole in the bill, or that the amendment might be modified somewhat along these lines: In so far as the funds now in the possession of the Alien Property Custodian are concerned, let them be released; for these companies now have funds in America. Judgments obtained against them can now be enforced in America; and, therefore, personally, I should have been quite content to have eliminated from the amendment the provision as to holding the funds longer by the custodian, and to provide as follows:

> In any action brought within 90 days after the enactment of this act by one or more persons who, prior to the date of the enactment of this act, have filed with the Alien Property Custodian one or more claims against any insurance partnership, association, or corporation for unpaid amounts for losses or damages caused directly or indirectly by the great San Francisco conflagration of April, 1906, neither the statute of limitations nor laches shall be considered as a defense; and any number of such persons may join in any such action.

That is all we have sought, and therefore I regret exceedingly that the Senate conferees, I will not say surrendered, but, to be milder in expression, yielded to the persuasion or to the threat of the House conferees.

Upon what raw meat do these House conferees feed that they have become so dominant, so aggressive, and so defiant? Is it because they call themselves the popular House? I venture to believe that we are just as popular as they are.

Mr. COPELAND. Does the Senator mean that they are as unpopular as we are?

Mr. SHORTRIDGE. I do not admit that the Senate is unpopular. Look at these galleries. The occupants of them applaud occasionally, and the people afar off approve of us.

I would like to know, however, in my own simple, far western way, why it is that when an amendment is adopted in the Senate at a late hour in the afternoon, without discussion, but, as I claim, a meritorious amendment, the House conferees would not permit any explanation before them. They knew nothing about it. They were in Egyptian darkness.

I understand a suggestion was made that I, or some one better qualified, appear before the conferees and explain this amendment. Upon its face it may not have been fully understood, but it would have been easy for me there, much easier than it has been here, to explain it. It was a very simple amendment, merely providing that various claimants might join in one action and try all these matters in one action; and, secondly, that these defendant companies, charged, I ask Senators to observe, with fraudulent conduct and with bringing about contracts through gross fraud, be not permitted to interpose the statute of limitations or the equitable doctrine of laches as a defense. That is all that was asked. Yet I am told that the House conferees, with a sort of lordly attitude, refused to permit any discussion or any argument, or to receive any information in respect of this amendment. If I do them wrong, I am at fault; and, of course, will prostrate myself in begging forgiveness.

Mr. CARAWAY. Mr. President, will the Senator permit me to ask a question?

Mr. SHORTRIDGE. Certainly.

Mr. CARAWAY. Is not information always at a very low ebb in a conference? There is not much demand for it, as far as I have been able to observe.

Mr. SHORTRIDGE. Of course, the chairman of our great committee undertakes to report what takes place there. If I do not understand it, it is not because he is not clear, but due to my inability.

Mr. CARAWAY. Do not be too modest.

Mr. SHORTRIDGE. Frankly, I rarely grasp fully what is going on in a conference or what is reported.

In all candor and seriousness, I wish to sum up what I set out to say. A great catastrophe overwhelmed a city and its people. Certain great companies that had reaped millions, perhaps, from those same people in the carrying on of business, had outstanding insurance policies. The losses were admitted, and they were adjusted in each and every of these three or four hundred cases. When it came to pay the companies represented that they were bankrupt and intended to abandon California and the United States, that they had no funds here with which to pay. The claimants, as we will term them, were forced, through dire necessity, and for the reasons assigned by these companies, to accept practically what they offered, and certain contracts of settlement were entered into.

When these claims were presented to the Alien Property Custodian the claimants were advised that it was necessary for them to go into a court of equity and have these contracts set aside. The bill, therefore, asked that they might combine in one action, and that the statute of limitations or the equitable doctrine should not be interposed as a defense, all to the end that the cases be tried upon their merits. That is all this amendment provided for.

Mr. CARAWAY. Mr. President, when I was a Member of the House that same matter was before the Committee on the Judiciary. What was ever done with the measure covering that subject?

Mr. SHORTRIDGE. If the Senator refers to this immediate case——

Mr. CARAWAY. No; it was much later than that, about 1914 or 1915, when there was before the House some legislation affecting these insurance companies which did not pay their losses in the San Francisco fire.

Mr. SHORTRIDGE. That was before these events.

Mr. CARAWAY. That had nothing to do with the matter the Senator is now discussing?

Mr. SHORTRIDGE. No. But I remind the Senator, and he will recall, for I think he was then a member of the Judiciary Committee of the Senate, when the so-called Winslow bill was passed here two or three years ago, I offered an amendment to the bill, which was adopted and became a part of the law, whereby all these funds in the hands of the Alien Property Custodian were held up, and they are still held by the custodian, and it is provided in that very law that they shall not be delivered over until this relief which I am seeking is granted, or at least until the actions shall be commenced and the matter decided. But this bill, of course, when it goes through, will impliedly, at any rate, repeal the Winslow provision.

Mr. CARAWAY. The Senator wants to be certain that this bill will not release the properties of these insurance companies until they have paid?

Mr. SHORTRIDGE. I do; I do not want them released.

Mr. CARAWAY. The Senator is protesting against it?

Mr. SHORTRIDGE. Yes.

Mr. CARAWAY. I find myself in much sympathy with the Senator's position.

Mr. SHORTRIDGE. It is only in fairness that I add that these companies doubtless would appear and claim that they had entered into just and fair settlements. Of course, the claimants, represented, as I have said, by lawyers of eminence and of established reputation for character at our bar, assert and claim ability to prove such facts as would cause the court to set aside all these contracts.

I have detained the Senate perhaps too long, but I have deemed it proper to say what I have said in order that the Senate, and perhaps others, might know exactly what was sought and why I thought and think this amendment should have remained in the bill and become a part of the law.

I hope it is not necessary for me to say that there is nothing personal in this amendment, no personal hostility to individuals; but when gentlemen I have known all my life, representing these claimants, write to me, furnish me with briefs as to the law and the facts, and earnestly urge appropriate legislation, I must pay heed to them and respect their views.

I realize that it is perfectly idle for me to hope to prevent the adoption of this report, but I take occasion to say that, even though the report shall be adopted and the bill as amended become a law, perhaps we are not without hope, perhaps not without possible relief, for I imagine that a separate and independent bill may be introduced seeking in effect the same relief. Of course, the funds will have gone out of the possession of the Government, but if the Congress shall pass a simple bill authorizing the combining of the claims into one action and provide that the defenses which I have mentioned may not be interposed, the claimants can maintain the action and perhaps ultimately recover, should the court decide in their favor.

Since certain gentlemen are listening, I wish to add that there is no question under the authorities as to the power and, in proper case, propriety of Congress enacting a law suspending the statute or the equitable defense mentioned. Of course, no man has a vested right in the statute of limitations, no man has a vested right in the equitable doctrine of laches, and it is perfectly competent for Congress or for a State legislature to provide that neither of those defenses shall be set up. That was decided many, many years ago by the Supreme Court of the United States. But if anyone wishes to pursue the matter as to the power of Congress to enact a law suspending the statute of limitations or laches as a defense to claims of this or other character, I refer him to the early case of Campbell *v.* Holt (115 U. S. 620; 29 L. Ed. 483). That decision by the Supreme Court stands. It was followed by a great many others, which need not now be cited. I conclude by again expressing regret that in conference on this bill the House conferees were the more powerful. But I am not without hope that justice will yet be done to these defrauded claimants.

Mr. KING. Mr. President, the lamentations of my friend from California find a responsive place in my heart. If the facts are as stated by him, a situation is presented which should seriously engage the attention of the Senate. I appreciate, however, that no matter how serious the infirmities are in the pending measure, its progress can not be arrested and that it will soon become law. When the bill was before the Finance Committee I offered various amendments which were accepted. On the floor of the Senate I tendered a number of further amendments, substantially all of which were agreed to. I regret to learn that the conferees have not adopted two of the amendments which the Senate accepted; and the conference report, if adopted, effectually kills such amendments.

I regret that the Senate conferees did not insist upon these two amendments, because I regard them—at least, one of them—as of very great importance. I appreciate, however, that few laws are enacted except upon the basis of compromises. The measure before us deals with a multitude of questions, complicated and difficult of solution; it is therefore not to be wondered at that any legislation dealing with these matters must be the result of concessions. Is it not difficult to announce academic propositions and to declare what principles ought to be applied, but the situation dealt with in this bill presented concrete questions and questions of policy. Governmental questions were involved, and the course to be pursued must be determined in part at least by treaties between the German Government and the allied nations and between Germany and the United States. Moreover, the nationals of the two countries entered into certain agreements with respect to their claims, and their wishes called for consideration by Congress even if they were not determinative of the questions involved. I was not satisfied with the bill which came from the House, nor was I satisfied with the measure after it passed the Senate. I believed that the Senate bill improved the House bill, but even then there were provisions in the bill that did not meet my approval. And I am not satisfied now with the measure as it comes from the committee of conference. I realize, however, that no further changes can be made. If this bill is not accepted and passed by Congress it will be disappointing not only to American claimants but also to German nationals.

It seems, therefore, that it is this bill or no legislation for the present. It would mean that American claimants would be unable to receive any part of the awards made in their favor for an indefinite period; and it would also result in postponing the hour when German nationals may have restored to them a part of their property now held by the American Alien Property Custodian. If the United States had been alert and vigilant in protecting the rights of its nationals, as well as its own rights, we would not be confronted with the complicated questions now before us relating to the claims of Americans and to the property sequestered by the Alien Property Custodian.

As I pointed out when the bill was before the Senate a few days ago, the executive department of our Government neglected to cooperate with our former allies when they were seeking reparations at the hands of Germany. The Versailles treaty afforded ample protection for American nationals as well as for claims which the United States had against Germany. We refused to ratify the Versailles treaty and refused to associate the United States with the allied nations when they were

working out plans to secure reparations and indemnities from Germany because of the wrongs done to such nations and their nationals. Germany understood when the war was over and after the Versailles treaty was ratified by her that she must make reparations to the allied and associated powers and to their nationals.

She expected, of course, that the United States was entitled under the armistice agreement, if not under the treaty, to compensation growing out of the expenses incurred in maintaining military forces in Germany following the World War. Germany knew that American nationals had claims against her and her nationals, which, under the treaty of Versailles, as well as under the treaty of Berlin, she was obligated to meet. The United States understood the terms of the two treaties just referred to, and the State Department knew that it was expected to take proper steps to protect the rights of the United States and of American citizens, and to see that they received a just share of all reparations exacted of Germany. But the State Department was inert and did not associate itself with the allied nations when they were seeking to secure reparations from Germany and to formulate and execute a plan that would protect them and their nationals.

The Dawes Commission was appointed to fix the amount which Germany was to annually pay by way of reparations, but the United States took no part in selecting the members of the commission or in presenting its claims for a share of the reparations which Germany was required to pay. The attitude of our Government is most extraordinary, and one can scarcely understand why the State Department and those in the executive department having the matter in hand should have refused to participate with the representatives of the allied nations in fixing the reparations and in demanding a fair share of the same to meet the claims of the United States and American citizens. Because of the failure of the United States to ratify the treaty of Versailles and because the party in power was bitterly hostile to the League of Nations did not justify the laissez faire policy pursued by the State Department and the abandonment of the claims of the United States and its nationals against Germany and her nationals.

When the property of German nationals was sequestered by the United States after we entered the war it was understood that it was to be held until the war was over and then returned to its owners. There was no thought that the property was to be held indefinitely, or to be applied in satisfaction of the claims of American nationals or of the United States. And it is my opinion that if our Government had vigorously sought to protect its rights and the rights of its nationals, and for that purpose had associated itself with the allied nations in determining what Germany should pay, and what proportion of all payments should be made to the United States and to American citizens, the situation in which we find ourselves would never have been brought about, and the property held by the Alien Property Custodian, or most of it, would have been returned long before this to those from whom it was taken.

The Berlin treaty did not comprehensively deal with the rights of the United States and of American nationals, nor make adequate provisions for the liquidation of their claims. It is true that Germany, both in the Versailles and in the Berlin treaties, asserted her sovereign power with respect to the property of her nationals which was in the possession of the Alien Property Custodian. No one will deny that Germany possessed the power to expropriate a part or all of the property of German citizens which was held by the American Alien Property Custodian.

Apparently our Government was willing to have Germany expropriate the use, if not the property itself, which was in the hands of the Alien Property Custodian and to hold the same until Germany made suitable provisions to settle the claims of the United States and its nationals. The treaty of Berlin was in fact an act of expropriation by Germany, and the property in the hands of the Alien Property Custodian was thus impressed with the sovereign authority of Germany. The American nationals could have insisted with propriety that this property be held until their claims were satisfied, particularly in view of the fact that their Government had adopted no suitable measures to secure reparations from Germany or to satisfy their just and valid claims.

I regret that conditions developed which indicated that American nationals would not be paid except by utilizing a portion of the property of German nationals in the possession of an official of the United States; but it is too late to complain or remonstrate. We are to accept this bill with its imperfections or perhaps get no legislation. To postpone the settlement of these questions would be not only unwise but would work serious injury to American citizens as well as to German nationals. Both groups prefer this measure to no legislation or to indefinite postponement. I accept the situation, but do so with reluctance, believing that the standards which our Government has set with respect to the sanctity of private property and its immunity from expropriation even in times of war by belligerent nations, have not been fully observed.

It must be admited, however, that we have treated Germany and her nationals far more generously than have the allied nations; and it must be conceded that Germany exercised the right of eminent domain against the property of her nationals and told the United States that such property might be held by it until Germany made suitable arrangements for the payment of American claims against her and her nationals.

One of the provisions of this bill which does not meet my approval is that which places the United States in the last priority for payment. This means that the United States will not be paid, if paid at all, for many years. If Germany should fail to meet the reparations, then the claims of some American citizens would not be paid in full, and the United States would receive no part of the amount due her under the award made by the Mixed Claims Commission. Senators will recall that the allied nations consented that the United States might receive 2¼ per cent of the annual reparations paid by Germany, to be applied upon the claims against Germany.

From time to time we hear that Germany will not continue to pay reparations for any length of time. As stated, if Germany should default, then the United States, unless some other arrangements were made, would receive nothing, notwithstanding under this bill she is placed in a category entitling her to the payment of $60,000,000 at some future time. It is to be hoped that Germany will meet the awards of the Mixed Claims Commission. In my opinion, these judgments against Germany were not harsh; indeed, as I understand the facts, Germany has been dealt with by the Mixed Claims Commission in a most liberal, generous, and sympathetic manner.

Mr. President, I referred a few moments ago to two amendments agreed upon in the Senate but not accepted by the conferees. One of them I regard as of great importance. Senators will recall that under the terms of the bill $25,000,000 of accumulated interest now in the Treasury of the United States was to be placed in the deposit fund and applied in meeting the claims of American nationals. This interest came from the property of Germans held by the Alien Property Custodian. Much of this property was converted into Government bonds, and the interest, as stated, has been derived from the investment of German funds. Under the bill this $25,000,000 is to be immediately available to pay the claims of American citizens. It is to be returned to German nationals who own the same after various priorities have been paid. It is quite certain that the owners of this large sum will not be paid unless Germany meets her reparation obligations. It seemed to me that in taking this $25,000,000 belonging to German nationals—and it belongs to them as much as does the money and property which produced it—that they were not only entitled to its return but that at some time they were entitled to simple interest upon the same. Accordingly I offered an amendment, which was agreed to in the Senate, providing that after all claimants were paid, including the United States, that the owners of the $25,000,000 should be paid simple interest out of the reparations paid by Germany to the United States. In other words, I proposed that Germany should pay her own nationals simple interest upon $25,000,000 which was taken from them and applied in settlement of claims of American citizens against Germany and her nationals.

There are some who will believe that the taking of the $25,000,000 and the holding of the same for such a long period of time is confiscation; and certainly the claim will be made to hold this sum for many years and pay no interest upon the same is confiscation. In my opinion, it is unwise and unfair to deny interest certificates to the owners of the $25,000,000. But the conferees have reported against my position and I must submit to the Senate if it shall uphold their action. I repeat, we could have relieved the United States of the imputation of confiscation by making provision for interest upon this deferred interest of $25,000,000, and it will be a mistake to accede to the proposition embodied in the conferees' report.

Another amendment agreed to in the Senate and rejected by the conferees, provided that the Alien Property Custodian should conclude his work within 18 months. I believe that the Alien Property Custodian can wind up the business connected with carrying out the provisions of this act within that period. However, my amendment provided that at the end of that time, if there were further duties to be performed, the Treasury Department should take over the work of the Alien Property Custodian and carry out the provisions of the law. Senators know the tenacity with which bureaus and Federal agencies cling to life. Federal organizations that are created for a limited period

find some excuse to continue their existence. I believe that it was wise to announce in the bill that the work of the office of the Alien Property Custodian should be performed within 18 months. Such a declaration would have been an admonition to all persons concerned, that celerity in executing the terms of the bill was imperative. It would, in my opinion, have hastened the performance of the duties and responsibilities provided in this bill. In making this statement I am not criticizing the Alien Property Custodian or any of his official staff. He is a man of integrity and I am sure will, with fidelity, perform the duties laid upon him.

Mr. President, as I have stated this bill has features which do not meet my approval. However, it is the best that can be obtained and I shall detain the Senate no longer in discussing its provisions and shall not seek to delay action upon the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10635) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes.

The message returned to the Senate, in compliance with its request, the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were subsequently signed by the Vice President:

H. R. 48. An act to erect a tablet or marker to the memory of the Federal soldiers who were killed at the battle of Perryville, and for other purposes;

H. R. 83. An act to approve Act No. 24 of the Session Laws of 1927 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within Hanapepe, in the district of Waimea, island and county of Kauai";

H. R. 482. An act to provide relief for the victims of the airplane accident at Langin Field, Moundsville, W. Va.;

H. R. 3144. An act for the relief of Augustus C. Turner;

H. R. 5925. An act for the relief of the Fidelity & Deposit Co. or Maryland;

H. R. 8281. An act to provide for the withdrawal of certain described lands in the State of Nevada for the use and benefit of the Indians of the Walker River Reservation;

H. R. 8282. An act to provide for the permanent withdrawal of certain lands bordering on and adjacent to Summit Lake, Nev., for the Paiute, Shoshone, and other Indians;

H. R. 8291. An act to amend section 1 of the act of June 25, 1910 (36 Stat. L. 855), "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes";

H. R. 8292. An act to reserve 120 acres on the public domain for the use and benefit of the Koosharem Band of Indians residing in the vicinity of Koosharem, Utah;

H. R. 8527. An act for the relief of the International Petroleum Co. (Ltd.), of Toronto, Canada;

H. R. 9037. An act to provide for the permanent withdrawal of certain lands in Inyo County, Calif., for Indian use; and

H. R. 9994. An act to reimburse certain Indians of the Fort Belknap Reservation, Mont., for part or full value of an allotment of land to which they were individually entitled.

MUSCLE SHOALS

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, Senate Joint Resolution 46.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 46) providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the vicinity of Muscle Shoals for the manufacture and distribution of fertilizer, and for other purposes.

Mr. NORRIS obtained the floor.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Barkley	Dill	Kendrick	Reed, Pa.
Bayard	Edge	Keyes	Robinson, Ind.
Bingham	Fess	King	Sackett
Black	Fletcher	La Follette	Sheppard
Blaine	Frazier	McKellar	Shortridge
Blease	George	McMaster	Simmons
Borah	Gerry	McNary	Smoot
Broussard	Gillett	Mayfield	Steiwer
Bruce	Glass	Metcalf	Tydings
Capper	Gooding	Moses	Tyson
Caraway	Hale	Neely	Walsh, Mont.
Copeland	Harris	Norris	Warren
Couzens	Harrison	Nye	Waterman
Curtis	Hayden	Overman	Watson
Cutting	Heflin	Phipps	Wheeler
Deneen	Howell	Ransdell	Willis

Mr. SHEPPARD. I wish to announce that the Senator from Washington [Mr. JONES] and the Senator from Mississippi [Mr. STEPHENS] are detained by the business of the Commerce Committee.

Mr. COUZENS. I desire to announce that the Senator from Iowa [Mr. BROOKHART] is engaged in the Interstate Commerce Committee.

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

Mr. HARRISON. Before the Senator from Nebraska proceeds with his speech, will he permit me to ask unanimous consent to modify my amendment, so that it may be printed and be here in the morning to be voted on?

Mr. NORRIS. I yield.

Mr. HARRISON. Mr. President, I ask to modify my amendment.

The PRESIDING OFFICER. The Senator from Mississippi may modify his amendment as he desires.

Mr. NORRIS. Mr. President, when I had the floor on Friday last, discussing the Muscle Shoals proposition, I was in the midst of an attempt to show the connection of the Cyanamid Co. and the Air Nitrates Corporation, the bidders who are striving to get Muscle Shoals through the instrumentality of the bill introduced by the Senator from Ohio [Mr. WILLIS]—and I am sorry he is not present to listen to the explanation of his own bill—and I was part way through in the evidence I was offering, connecting those companies with the various water-power companies, the so-called Fertilizer Trust and the Aluminum Co. of America of Mr. Mellon. I had reached a point, I believe, when the Senate adjourned at that time, where I was about to read the testimony of the late Senator Lodge, who for a great number of years was an honored Member of this body, whose ability was then and still is unquestioned, and whose word always went for 100 per cent.

On April 7, 1916, he made a speech in the Senate which I desire to quote. It will be found in the CONGRESSIONAL RECORD of that date on page 6471. Senator Lodge said, among other things:

> It appears from the New York Times of October 23, 1915, that the Ammo-Phos Corporation was organized under the laws of New York with a capital stock of $6,000,000 to manufacture cyanamide and to acquire shares of the Amalgamated Phosphate Co. (Inc.) under the laws of West Virginia, its incorporators being A. H. Sands, jr., private secretary of James B. Duke; Walter C. Parker, secretary and treasurer of Southern Power Co., of which James B. Duke is president; and William L. Baldwin, all of No. 200 Fifth Avenue, New York.

It will be unnecessary for me, perhaps, to say that I have already connected the Duke interests with various corporations and with the Cyanamid Co., and with the Air Nitrates Corporation in particular.

Mr. FESS. Mr. President, will the Senator permit me to state that my colleague [Mr. WILLIS] is detained from the Senate in the Commerce Committee, which is considering proposed flood control legislation.

Mr. NORRIS. I am sorry he is not present.

Mr. FESS. I have sent for him.

Mr. NORRIS. A. H. Sands, jr., the private secretary of James B. Duke, according to Senator Lodge's statement, was one of the incorporators of the Ammo-Phos Corporation and the Ammo-Phos Corporation is a part of the American Cyanmid Co., and ammo-phos, they say, they will be able to convert into fertilizer. The Duke interests are not only connected with the Fertilizer Trust but with the Water Power Trust as well and with the Aluminum Trust through connections with the Aluminum Co. of America.

Senator Lodge says:

> Its incoporators being A. H. Sands, jr., private secretary of Jame B. Duke; Walter C. Parker, secretary and treasurer of the Southern Power Co.—

Another place where they are connected up with power—

of which James B. Duke is president; and William L. Baldwin, all of No. 200 Fifth Avenue, New York.

It appears—

Says Senator Lodge—

It appears from Moody's Manual, 1915, page 2027, that the Amalgamated Phosphate Co. is a corporation under the laws of West Virginia, with capital of some $8,000,000; that it owns various phosphate beds—those are necessary for the fertilizers—and that the Virginia-Carolina Chemical Co. is largely interested in the company. The directors include several directors of the Virginia-Carolina Chemical Co.—

Which is one of the defendants in the suit of the United States to dissolve the Fertilizer Trust—

including S. T. Morgan, president of the latter company.

The Virginia-Carolina Chemical Co. is a corporation under the laws of New Jersey, with a capital stock of $68,000,000, with a bonded indebtedness of $18,000,000, its president being S. T. Morgan, who is also a director of that company. This company appears to own Charleston Mining & Manufacturing Co. This company owns over 68,000 acres of phosphate lands in South Carolina, Tennessee, and Florida. Of course, the phosphates are to be treated with the nitrates. It also owns all of the stock of the Consumers' Chemical Co., a corporation manufacturing fertilizer here in New York; it controls Southern Cotton Oil Co., which company refines and manufactures cottonseed oil and other by-products, with mills and factories at various cities of the South; and it controls various sulphur, chemical, and fertilizer companies in this country and in Germany, and has a practical monopoly throughout the South of the fertilizer and cottonseed-oil business.

That is the testimony of Senator Lodge. If that is not getting pretty close to the Fertilizer Trust with this company that is trying to get Muscle Shoals out of love for the American farmer, to give him cheap fertilizer, then I do not know what is.

Mr. CARAWAY. Mr. President, will the Senator pardon me? He is now talking about the Willis-Madden bill?

Mr. NORRIS. Yes, sir.

Mr. CARAWAY. I thought that had been turned over to an undertaker some days ago.

Mr. NORRIS. If it has been turned over to an undertaker, I am trying to fill up the grave with the real facts.

Mr. CARAWAY. I think the Senator has done that pretty well.

Mr. NORRIS. It is always necessary, especially when anything with a bad odor is put in the grave, that the grave be well filled, for the protection of people who are still on the earth.

Still reading from Senator Lodge:

The Southern Power Co. is a corporation under the laws of New Jersey, with a capital stock of $11,000,000 and a bonded indebtedness of $7,000,000, owning various electric properties in North Carolina and South Carolina, its president being J. B. Duke.

Mr. President, on page 5708 of the same volume of the CONGRESSIONAL RECORD, Senator Kenyon, whom all Senators remember well and pleasantly, spoke as follows:

Mr. Cooper, who is vice president of the $6,000,000 fertilizer company, known as the Duke Fertilizer Co., is the general manager of the American Cyanamid Co. The American Cyanamid Co., in their statement of assets, schedule "Founding and propaganda, $230,589," as a part of their assets.

That is Senator Kenyon. That connects them up on the other side. They are related both ways, to the Fertilizer Trust and the Water Power Trust.

On February 25, 1927, pages 4753, 4754, and 4755 of the CONGRESSIONAL RECORD, I find a speech made by the Senator from Illinois [Mr. DENEEN], from which I quote:

I send to the desk—

He was talking at that time upon the power bid that was reported from the so-called joint committee on Muscle Shoals, of which committee he was the chairman, as I remember—

I send to the desk a list of the subsidiary corporations which comprise the Union Carbide Co. in the United States and Canada. The Union Carbide Co. recommended that the bid of the American Cyanamid Co. should be accepted—

That bid is the bid which the bill of the Senator from Ohio, if passed, would accept.

Continuing reading, now, from the Senator from Illinois—

and stated that 50,000 of the 83,000 or 84,000 horsepower developed at Muscle Shoals should be assigned to the Union Carbide Co. by the Air Nitrates Co.

This is the corporation, with the American Cyanamid Co., that is to get Muscle Shoals if the bill of the Senator from Ohio is passed.

Now, let us see what this memorandum is that the Senator from Illinois sent to the clerk's desk: It is headed:

Memorandum

FEBRUARY 1, 1927.

The Union Carbide Co. is a corporation incorporated in 1898 in Virginia, with an authorized capital stock of $50,000,000, $39,757,854 of which is outstanding, all owned by the Union Carbide & Carbon Corporation (Inc.), November 1, 1917, in New York.

The Union Carbide Co. was incorporated for the purpose, among other things, of manufacturing, purchasing, using, and selling throughout the United States and elsewhere calcium carbide and all gas-producing materials and gas, especially acetylene gas, and all machinery, apparatus, and fixtures for any purposes relating in any manner to the production and use of calcium carbide and acetylene or other gas; also to manufacture, produce, buy and sell, or otherwise deal or traffic in any or all metallurgical, electrometallurgical, chemical, and electrochemical products and compounds, including any and all elementary substances and any and all alloys and compounds thereof; also coal, coke, gas, oil, lumber, etc. Works are located at Niagara Falls, N. Y., and Sault Ste. Marie, Mich.

The Michigan Northern Power Co., with a power house developing 40,000 horsepower of electrical energy, is controlled by the Union Carbide Co.

The Union Carbide & Carbon Corporation owns directly or indirectly substantially all the common capital stock of the following 26 companies:

Beacon Electric Corporation.
Canadian National Carbon Co. (Ltd.).
Carbide & Carbon Chemicals Corporation.
Carbide & Carbon Realty Co. (Inc.).
Clendenin Gasoline Co.
J. B. Colt Co.
Dominion Oxygen Co. (Ltd.).
Electric Furnace Products Co. (Ltd.).
Electro Metallurgical Co.
Electro Metallurgical Co. of Canada (Ltd.).
Electro Metallurgical Sales Corporation.
Haynes Stellite Co.
The Linde Air Products Co.
The Linde Air Products Co. of Texas.
Linde Air Products Co., Pacific Coast.
Michigan Northern Power Co.
National Carbon Co. (Inc.).
Oxweld Acetylene Co.
Oxweld Railroad Service Co.
The Prest-O-Lite Co. (Inc.).
The Prest-O-Lite Co. of Canada (Ltd.).
Sauda Falls Co. (Ltd.).
Union Carbide Co.
Union Carbide Sales Co.
Union Carbide Co. of Canada (Ltd.).
Union Carbide & Carbon Research Laboratories (Inc.).

We see from that, Mr. President, that the Union Carbide Co., with all these subsidiaries, is very closely allied with the Air Nitrates Co. and the American Cyanamid Co., and they are going to get the great bulk of the power at Muscle Shoals if this bid is accepted by the United States Government.

Following along the same line, I want to call the attention of the Senate to a brief quotation from the report of the Federal Trade Commission upon its investigation of the so-called Fertilizer Trust. This was sent to the Senate in the Sixty-seventh Congress, fourth session, Document No. 347. Among a good many other things, they say this:

The salient facts disclosed by the investigation are as follows—

Now we are getting to the Fertilizer Trust—

1. The seven largest companies are the American Agricultural Chemical Co., the Virginia-Carolina Chemical Co.—

That is the one I have been talking about—

the International Agricultural Corporation, F. S. Royster Guano Co., Armour Fertilizer Works, Swift & Co., and the Baugh companies.

In the former report of the commission it was found that these concerns, with their subsidiaries, produced about 58 per cent of the total output of mixed fertilizers. In 1921 these concerns produced and sold about 65 per cent of the total fertilizer used.

Mr. McKELLAR. What was the first per cent—58?

Mr. NORRIS. Fifty-eight.

In the industry the first six concerns named are usually referred to as the "big six." The American Agricultural Chemical Co. and the Virginia-Carolina Chemical Co. sell about the same tonnage, their combined output being about one-third of the total of the country.

This corporation that I have been talking about both to-day and last Friday is one of the companies included in the bill

that the Attorney General filed to dissolve the combination operating through the South—in fact, I think all of these companies were included in it—selling, in 1921, 65 per cent of all the fertilizer used in the United States, connected with the Air Nitrates Corporation, with the American Cyanamid Co., with the Ammo-Phos Co., and the companies with which the American Cyanamid Co., which is attempting now to get Muscle Shoals, has been dealing during all the time that we have been listening to the cries of the farmer for cheaper fertilizer; and you propose now, by this bill, to turn over Muscle Shoals to a member practically of the same combination that you have been condemning for years, with the idea of getting cheap fertilizer for the farmer!

If these people so loved the farmer, if they were moved by an idea to give to American agriculture a cheap fertilizer, why have they waited so long to do it? Why have they conducted themsleves in such a way that they were charged continually, even by the Department of Justice, with being a Fertilizer Trust, formed for the purpose of holding up the price of fertilizer to the American farmer?

We also had a report some time ago of the special assistant to the Attorney General on the Aluminum Co. of America, and this report was presented to the Senate by the Senator from Pennsylvania [Mr. REED.] That report of the special assistant to the Attorney General has something to say about how the Aluminum Co. of America is connected up with power and is a part of a great trust.

> In July, 1925, the Aluminum Co. of America acquired an undeveloped water power on the Saguenay River in Canada by merging with the Canadian manufacturing company.
>
> The Duke interests own the stock of the Canadian Manufacturing Development Co.
>
> The Canadian Manufacturing Development Co. owns 11.12 per cent of the stock of the Aluminum Co. of America.

That is from the Federal Trade Commission's report on the Aluminum Co. of America. The Duke interests own a large interest in the American Cyanamid Co.

Right here let me call to the attention of my esteemed friend from Ohio, who is now honoring me by his presence, the fact that the president of the American Cyanamid Co., the bidder in this case, is one of the trustees of the Duke estate. So that there is no unfriendly rivalry, perhaps, between these great corporations.

In this special report to the Senate to which I have referred—Sixty-ninth Congress, first session, Document No. 67——

Mr. FESS. Mr. President, will the Senator yield before he goes into that?

Mr. NORRIS. Yes.

Mr. FESS. I have listened to the Senator for the three days he has been very elaborately, and I think very intelligently, discussing this great problem, and I am wondering if I am under the wrong impression, namely, that the Senator is rather attacking these various organizations on the ground that they are large.

Mr. NORRIS. No; the Senator is mistaken about that. Let me tell the Senator the situation. I said last Friday, as I remember it—and I have said it at other times—that I never made a personal investigation myself into the so-called Fertilizer Trust, and I neither deny nor claim that there is such a trust. I was relying on the claims made by Senators here from time to time ever since we have had the Muscle Shoals question before us that there was such a trust, and it seemed evident to me that the farmer was paying too much for his fertilizer. To my mind, it was more important to reduce the cost of fertilizer than to go into the question of whether or not there was a trust, although I concede it is important and relevant.

I went into a discussion of those claims that had been made from time to time in order to show that if there was a fertilizer trust these bidders were pretty close to it; if there was a waterpower trust, they were pretty close to that; if there was an Aluminum Trust, that the Aluminum Trust, the Mellon interests, the Duke interests, the fertilizer interests, these big chemical companies, and the Cyanamid Co. were all at least on very friendly business terms. I think that is proven by the fact that when Mr. Duke died, Mr. Bell, who was president of the Cyanamid Co., was made one of the trustees of his estate. I am not complaining about that. I am calling attention to it on the theory that these Senators have been correct all these years. But if they were correct, we will be going deeper into this than ever before if we accept this bid.

Mr. FESS. Mr. President, if the Senator will permit, am I to understand that the Senator believes that because Mellon might be interested in one of these companies, just the mere fact that he is interested, is conclusive reason why we should not have anything to do with it, that the same applies to the Dukes, and that the same applies to the du Ponts?

Mr. NORRIS. I agree with the Senator.

Mr. FESS. If these men are successful, we ought not, just because they are successful, to say, "That shuts them out." Of course, I agree with the Senator that when it comes to the question of a trust that might take advantage of the public, the Government should have some control over them. I have thought that concentration in great units is inevitable, and I would not vote to prevent it if we can keep proper control over them.

These agencies which have achieved tremendous success in the country are just the ones to whom I would refer if I were about to enter upon a great enterprise, and the mere fact that they have been successful should not raise a prejudice in our minds against giving them any consideration. That was my idea.

Mr. NORRIS. Mr. President, I hope I have made myself plain to the Senator as to why I have entered upon this discussion. I might say that as far as my investigation has gone, I am firmly convinced of two things; that there is a Water Power Trust and that there is an Aluminum Trust; and as far as I have gone into the evidence which has been produced here, there is a strong indication at least that if there is not a Fertilizer Trust, it comes very near to it. But I went into this line of argument to show to some of the people who are in favor of the Cyanamid bid, and who think there has been a Fertilizer Trust and that the farmer has been robbed on account of the Fertilizer Trust, that they were going to have the farmer jump right out of the frying pan into the fire if they accept this bid.

Mr. FESS. It might be that I was misled by the suggestion the Senator made a moment ago when he referred to these people having no particular love for the farmer. Of course, I admit that no business is going to be run purely for the love that any group might have for anybody, but rather on a basis of profit.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. If I understand the argument of the Senator it is this, that, as it is the purpose of some of us to secure for the farmers cheaper fertilizer, it would be a wholly useless and improvident thing to turn this plant down there over to those who are now engaged in manufacturing fertilizer, hoping that they will, of their own accord, learn to make cheaper fertilizer. In other words, we would be turning the plant over to these people who are now maintaining high prices, and who some maintain were alleged to be in a combination to hold prices up. We would be turning the property over to them to see if they could not find some process by which to furnish the American people cheaper fertilizer.

Mr. NORRIS. That is right.

Mr. McKELLAR. That is what I understand the attitude of the Senator to be.

Mr. NORRIS. Mr. President, there is a feeling, especially on the part of Senators from the South, that they want to keep the Alabama Power Co., for instance, from getting control of Muscle Shoals. I share in that feeling. I think Senators are right when they fear that consummation. That is not because I have anything against the Alabama Power Co. I have come in contact with them since the beginning of this investigation, and there has never been an official of the Alabama Power Co., so far as I have observed, before the committee of which I had the honor to be the chairman, where they were continually appearing, who ever undertook to do anything dishonorable or dishonest. I was not looking for anything of the kind. As far as I know they were perfect gentlemen. But the Alabama Power Co. owns the distributing system all around Muscle Shoals, and the Alabama Power Co. in turn is owned by other corporations—as I have shown here before, and I do not expect to go into again—and is a part of the Fertilizer Trust. If we turn Muscle Shoals over to them we will simply turn it over to the Water Power Trust. They will make out of it all they can. They are in the business for money, and it is perfectly honorable of them to do so. I presume I would do the same if I should get this plant. I would get everything out of it that I could, moved by financial interest entirely.

For the same reason that I do not want to turn the water power over to the Alabama Power Co., I do not want to turn the fertilizer business over to the Virginia-Carolina Co., and the others who—the evidence stands here, I think, undisputed from these reports—control the fertilizer business in most of the Southern States.

It might be we could turn it over to them, and they would be philanthropists and give the farmer the benefit, but the

natural thing to expect would be that they would make all the money they could out of it. We have been selling power to the Alabama Power Co. for quite a while, selling it, I think, very cheap, although in the way they have to bid I would not expect them to pay much more. Nobody has heard that because they got this power so cheap they had given to the consumers of power in the South a penny reduction. If they have, I have not heard of it.

Mr. McKELLAR. Mr. President, as I understand it, they buy it from the Government at one-fifth of a cent, and the maximum price at which they sell it is 12½ cents. There is somewhere between six and eight thousand per cent spread between their purchase price and their highest selling price.

Mr. FESS. I assume, Mr. President, that the Senator from Nebraska believes that in a rather new development, such as the manufacture of fertilizer, a private company like the Alabama Power Co., or any other, might not inaugurate methods for improving and cheapening the article, and if they did, they would not allow the public to have the advantage of it, while in case the Government holds this plant and operates it, both those results might be obtained.

Mr. NORRIS. I think so. I think the Senator is right in that. If we should decide to sell this power to somebody else, or that we were going to let some private enterprise run the fertilizer plant, while I conceive it to be possible, it is almost impossible, very improbable, that we could find a company that would handle the water power, or a company that would handle the fertilizer, that is not already somehow connected with one or the other or both branches of these great industries.

Mr. FESS. The Senator has always had confidence in the ability of the Government to handle matters of this sort. I have always feared that Government ownership and operation is not as effective or efficient nearly as private. We differ in our theory on that.

Mr. NORRIS. Yes.

Mr. FESS. The Senator may be right in the matter. The other view is the view I have held. I have thought that if we could find a responsible company and make a lease that would be acceptable, under conditions of recapture, we would be better off than if we should undertake to have the Government handle the plant. That is my honest opinion.

Mr. NORRIS. I do not criticize the Senator for his viewpoint. I ought to say, too, that he may be right and I may be wrong. But I want to say to the Senator that those who believe as he does have had all the chance in the world with Muscle Shoals and have failed. We appointed a joint committee, and I think they acted conscientiously. Prior to that time we had had extended hearings before the Committee on Agriculture and Forestry of the Senate. The joint committee, I think, unanimously shared the Senator's idea. Men who thought as I did were not on the committee, and were properly kept off. I am not complaining about it. I do not know but that I said in effect on the floor of the Senate that I wanted those whom the Senator believes are right to go to work to see if they could bring in something which would meet the contingencies and be good for the farmer and the people of the South, and that if they could do so, I would support it. They had their own way about it, and brought in a bill. Of course, I opposed it very desperately when it came in. It was demonstrated, I think, that it was connected up with the Water Power Trust. It never came to a vote, even, and the Cyanamid bid did not even get the favor of the joint committee. This has come in since. So we have had an opportunity to do it, but we have never been able to present a bill here for Muscle Shoals that is free either from the Fertilizer Trust or the Water Power Trust, and it can not be done.

Mr. FESS. If the Senator will permit me, I think the strongest position in his argument and which somewhat staggers me is that in a new field like electricity or the application of electric power to industry, where some new inventions might tremendously change the efficiency and economy of production, it is somewhat doubtful whether it would be wise to tie up in a long-time contract without any protection on behalf of the public in case those improvements were made. I think the Senator has a very strong position there. The question is whether we could not make the contract so that we would get the benefit of such improvements if the property were operated by private enterprise. I do not know that we could get any company to enter upon such a contract.

Mr. NORRIS. No. There is another thing that must be considered in discussing the position I have taken ever since the beginning of the consideration of the Muscle Shoals matter. I would disagree with the Senator when we come to municipal ownership of electric-light plants, and so forth, but I contend that this is not that kind of proposition. Here we have a dam at Muscle Shoals which is already owned by the Government. The taxpayers' money has been used to build it. We have an improvement there costing in round numbers about $150,000,000 of the taxpayers' money. It is ours. It belongs to the people of the United States, not to Alabama. But it is so located that the people of Alabama, Mississippi, Georgia, Kentucky, and all the Southern States are very likely to get more benefit out of it than the people of other portions of the country.

But if we had a war to-morrow the people of Nebraska and the people of Ohio would be definitely interested in the Muscle Shoals property and we would go to using it at once. We want to keep it so we can use it at any time. That being true, it is not a question of the Government entering business. That we decided, I suppose, when we first considered the question. We are in it, and it is a question of what we are going to do with our own property.

I have been trying here in my weak way to have the Government use it in such a way that the people anywhere within transmission distance would get the benefit of cheapening electricity. From my study of the electrical problem I am convinced, as firmly as I have ever been convinced of anything in my life, that the people there as well as elsewhere in the United States are paying exorbitant prices for electricity. While my own people care little about the fertilizer question as a question, I know that it is one of the most important things that confronts civilization to-day; not only the United States but the entire civilized world. It may be that we will get into no trouble, because some new thing may happen, as the Senator said a while ago; but unless it does, the world is going to be short of fertilizer.

As I have said in the Senate, we may reach the time when we will have to subsidize fertilizer on a large enough scale to give every farmer in the United States some of it more cheaply. The man who eats bread, the man who eats meat, the man who wears cotton or woolen clothes, the man who wears shoes, has an interest in the problem just as much as the man who follows the plow and tills the soil. Everybody is interested in it. It is a world question. When we come, then, to the getting of nitrogen, one of the necessary ingredients of every good fertilizer, from the atmosphere, we face a different problem. I have observed from the testimony of scientific men that we are still, perhaps, in our infancy in that field, that we have been gradually developing and improving and cheapening the process from the beginning, but we ought to cheapen it still more in order to get any material reduction to the farmer in the price of his fertilizer. I am willing to go any distance, even to the expenditure of public money, for an honest, intelligent, and scientific working out of that problem.

I am not willing, however, to say we will set nitrate plant No. 2 at work to its capacity, which we could do, to make fertilizer, and then sell it away down below cost, because that would not be of any final benefit to agriculture in America. It would benefit a few people in the vicinity of Muscle Shoals, but, much as I would like to see them prosper, they have no right to call upon the balance of the country to subsidize fertilizer in their midst when they do not subsidize it anywhere else. Therefore the question that is presented to us is, What can we do best to get cheaper fertilizer?

Mr. FESS. I agree with the Senator that the project is not just like any other upon which the Government has expended $150,000,000. The fact is that the first speech that made any impression on me when I first came to the House of Representatives was made by Oscar W. Underwood, and that was on the possibilities of Muscle Shoals. I had never heard of it before. Then we were asking for only a very small appropriation. Every year it came up and was negatively acted upon until we got into the war, and then it was used for nitrate purposes and, as I recall, only $20,000,000 was asked for; but it grew and grew until now we have it. I admit it is a new problem. I hope we may work it out.

Mr. NORRIS. That is what I want to do. The fertilizer question is the most important, but while I believe that it is the most important, the other question is exceedingly important, too. We are just at the beginning of a great electrical development. It is spreading over the country like a whirlwind, and I think it is a subject which is worthy the consideration of every man and every woman who wants to assist our civilization; something that must soon be considered, if it has not been already, as one of the necessaries of life in every home to turn the wheels and do the drudgery and toil the housewife has to do now. I think that is more important than the manufacturing part of it. From my study, which has been conscientious, because I had no idea when I started in where I was coming out, I am convinced, and I am going to demonstrate it before I

conclude my remarks on this feature of the question, that the charge for electricity in the United States is away beyond where it ought to be, particularly in the homes.

I believe I had not finished my reference to the Aluminum Co. of America. I am reading now from the report of the special assistant to the Attorney General:

> In July, 1925, the Aluminum Co. of America acquired an undeveloped water power on the Saguenay River in Canada by merging with the Canadian Manufacturing & Development Co., the only asset of which company was the capital stock of the Chute a Caron Power Co., the only property of the Chute a Caron Power Co. being the undeveloped power above referred to. As a result of this merger the present Aluminum Co. of America is, therefore, technically a new corporation which came into existence on July 29, 1925.

At another place in the report it is said, speaking of some tabulations there set forth:

> In the second tabulation, showing the stock as of current date, there is a fourth group, entitled "Canadian Manufacturing & Development Co.," consisting of the stock owned by the Duke interests, which owned the company merged with the Aluminum Co. of America.

Mr. President, I told the Senate at the beginning of my remarks the other day that before I finished I expected to explain something about the wonderful propaganda which had been carried on all over the country to secure the passage of the so-called Willis bill. There has been a propaganda on the proposition ever since it was first started. It has a great many branches and travels in a great many directions. There was a propaganda in favor of the acceptance of the Ford bid in the beginning. There was a propaganda in opposition to it. The men who are now asking for Muscle Shoals for the Cyanamid people were part and parcel of the opposition to the Ford bid. They testified, as I have read from their testimony, and I think they have told the truth. They said over and over again that they could not make fertilizer down there with Dam No. 2 unless we subsidized it by giving enough water power to make up the losses on the fertilizer. Now, they are coming here on the theory that they are going to make cheap fertilizer and are going to get a great deal more power than Henry Ford ever would have received under his bid. Henry Ford would have gotten Dam No. 2 and Dam No. 3. He was not to get Cove Creek Dam. He was not to get either of the other three dams that this company would have a special right to get if the bill passes, and about which I shall speak later. So that the power possibilities under this bid are much greater than under any other bid which has ever been made to the Senate.

I would like to call attention to the testimony of Mr. Bell and Mr. Washburn and Mr. Hammitt, when they appeared before the various committees of the Senate, and told them, and I think truthfully, that fertilizer could not be cheapened by the operation of nitrate plant No. 2 unless we subsidized the people who operated it by giving them a whole lot of power so they could make up on power the losses that they made on fertilizer. That would not help the American farmer. One of the things that I want to do and one of the things that I have tried to do in this matter, although it was many times at great risk to my political life and political future when I was doing it, was to tell the truth to the American farmer as I actually believed it to exist. It will do no good in the end to the American farmer if we do make a whole lot of fertilizer and sell it for less than it cost. Every farmer outside of the freight limits of any factory which we established would have a just right to say, "That is class legislation and you must not use my tax money to subsidize something in favor of some fellow who happens to live in a favored locality."

So the really important thing is to make fertilizer cheap without having anything handled or monopolized by a monopoly. Let it be free and open to the entire world. If the Cyanamid Co. should develop a new improvement, if they have their bid accepted according to the bill of the Senator from Ohio [Mr. WILLIS], and if they have their way about it, and develop something new, something that would cheapen fertilizer, what would happen? The first thing would be a patent. They would get a patent and they would be the only ones who could use it. Suppose the Government of the United States improves it; then the Cyanamid Co., every fertilizer company in the country and, in fact, every fertilizer company in the world, would have access to it; it would be free, as everything of that kind has been free in the past, and the general public would get the benefit of it.

Even now if we undertook by the Government to operate plant No. 2 to make fertilizer, we would be confronted with the claim of the American Cyanamid Co., "You have no right to use plant No. 2 to make fertilizer because we have the patent, which you have never contracted for or never purchased; you have the right by the paying of certain royalties to make explosives; but the right is limited to explosives; so long as our patent lives there is not anybody but us who could use it unless we give permission."

Mr. McKELLAR. Mr. President——

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. What the Senator from Nebraska has just stated is the very question that is bothering me. Suppose we give this subsidy in the way of power; suppose we turn this plant over for the very small consideration that has been mentioned in the bid; suppose that shall be done; how can we reasonably expect that the persons to whom it is turned over, and whose every interest is to keep the price up, will cheapen the price of fertilizer to the farmer? That is the question that worries me.

Mr. NORRIS. Mr. President, we know human nature, and it is about the same everywhere. There are some few exceptions; there are some Godlike men; but I do not meet many of them. There are not many of them around here now. All of us are more or less selfish, and I think properly so. The men in big business want to make more money; it is proper for them to do it; I am not finding fault with them; but when they come to make a contract with me and I am a trustee for some property for some innocent people whose money has built it and has made it possible, I am not going to permit them to make profit out of the sacrifices of somebody else that will do nobody but them any good.

Mr. GEORGE. Mr. President, I want to ask the Senator from Nebraska this question: Has there ever been any proposition made in connection with Muscle Shoals that was a reasonable and bona fide fertilizer proposition?

Mr. NORRIS. I do not think so.

Mr. GEORGE. In that respect I agree with the Senator and have always agreed with him. It has been at bottom a power proposition and a power proposition only.

Mr. NORRIS. That is correct.

Mr. GEORGE. Of course, the various bids have provided for the making of a certain amount of fertilizer at cost-plus, which, as the Senator has very properly stated, means nothing in the world to the farmer. Probably in order to sell it at all they would have to sell it below cost, but that would be of no consequence to the bidder, because he would recoup all of his losses out of the cheap power which he would receive under his bid.

I agree with the Senator from Nebraska entirely, so far as I have studied the proposals—and if there are to be others presented I want to study them—that none of them have been fertilizer propositions. The fertilizer proposition has been purely an incidental thing thrown in. The whole object has been to control the power, and whatever obligation was entered into to make fertilizer was very largely incidental.

The Senator from Nebraska will recall that when first I came into this body the Underwood bill was pending, the Ford bid about that time having been withdrawn. I earnestly labored for and finally secured an amendment to the Underwood bill providing for the distribution of all the power not needed for fertilizer, but when the bill went to conference the Senator from Nebraska will likewise recall that the very life was cut out of the amendment.

Mr. NORRIS. Yes, sir.

Mr. GEORGE. And when it came back here I was unable even to vote for the measure, because it seemed to me then that the proposal was one under which and by which the surplus power or the power being produced at Muscle Shoals was really the stake.

Mr. NORRIS. I thank the Senator from Georgia.

Mr. President, I started a while ago to take up the question of propaganda, and I said that for a long time propaganda has been conducted. The American Farm Bureau Federation is a great farmers' organization. They are opposed, they say, to Government operation of this plant, although I believe quite a number of years ago they went on record in favor of it. I am not complaining about that, for they have a right to change their minds. Principally through their legislative agent, Mr. Chester H. Gray, in the city of Washington, they have been carrying on a propaganda over the United States in favor of the bid of the Cyanamid Co. and the Air Nitrates Corporation that is almost without a parallel, it seems to me. I can not myself understand how the American Farm Bureau Federation in the city of Washington can properly represent the farmers of the United States when their agent devotes practically all of his time—and certainly he must use up all the funds of that organization, if it is their funds that he is using—in carrying on a propaganda which, upon analysis, is condemned by all the scientific and disinterested men who have studied the subject and by the testimony of his own men before they

were directly interested. I can not understand how he can do it and honestly represent the farmers.

I want to call the attention of the Senate to some of the articles that have been sent out—and I presume I know only a small part of them—and to some of the misrepresentations that have gone forth upon the question of Muscle Shoals. I have here [exhibiting] an illustrated article on Muscle Shoals. It went out from the city of Washington from the office of the American Farm Bureau Federation. It is a reproduction of what can be printed from the mat, as I think it is called, which they will send free of charge to any newspaper in the United States which will agree to publish it. At the top of this article is this statement:

To the EDITOR:

Thousands of persons are interested in the question of the final disposition of Muscle Shoals. Farmers are particularly interested in getting Muscle Shoals put to work producing a supply of cheap fertilizers. We believe your readers would like to have the information given herewith. It is furnished in mat form on request free of charge, to one newspaper in each town by the Washington office of the American Farm Bureau Federation, 601–604 Munsey Building, Washington, D. C.

Merely sign your name and address and mail the inclosed postal card.

Here [exhibiting] is the inclosed postal card already stamped and it is directed to—

THE AMERICAN FARM BUREAU FEDERATION,
Washington Office, 601–604 Munsey Building, Washington, D. C.

GENTLEMEN: Please send me the plates/mats (indicate choice) for the Muscle Shoals articles shown in the proof sheet recently received from you. It is my understanding that there is no charge for these and that I will have exclusive use of them in this town, provided my request reaches you first. Address the package as follows:

Name of paper ———, town ———, State ———.

And a blank line for the signature.

These were sent out by Mr. Gray, I presume, to every newspaper, perhaps not to the big city newspapers, but to every country newspaper, at least, in the United States, and to one in every town they agreed to send free of charge this mat or plate.

Here [exhibiting] is an illustrated article. If Senators will examine the article itself they will find, I think, if they are fair about it, that while it states a great many things that are true it omits to state many other things which are equally true and which ought to be stated in order to make the matter plain.

There is deception, I think, all the way through. For instance, I do not know whether this is the one that has an article in it by Mr. Landis, but here is an article by Mr. Jardine. He does not say he is in favor of the leasing bill. It is a very shrewdly arranged affair. The reader would get the idea that the Secretary of Agriculture was in favor of the bill, but if one will read what he says he will find it is merely a general statement on the desirability of securing cheap fertilizer.

Then there is a picture of the House Member, Mr. MADDEN, who introduced the bill in the House, and a beautiful engraving—it might almost be called an engraving—of a farmer plowing with oxen, and several other illustrations of scenes on the farm. At the top of it is a very beautiful picture of Dam No. 2 at Muscle Shoals. I presume it is meant for Dam No. 2, but when I look at it closely it does not appear to me to be an accurate picture of that dam, because it has a covered top and the dam at Muscle Shoals does not have. After that had gone the rounds another one came out in the same way.

Here [exhibiting] is an article for press release for Monday papers of January 16, 1928, which, to my mind, while stating some truths, also contains much deception. When Mr. Gray was on the stand in the Agricultural Committee I asked him why he did not tell all the truth when he was giving statistics about the cyanamide proposition, and in substance he said to me, "I was working for the cyanamide bid; it was not up to me to state something in favor of some other bid, for the synthetic process, or anything of that kind." That may be his idea of representing the farmers, but it is my view that when he does that he is framing the farmers and representing one of the great corporations that wants to get its finger in the Treasury by securing cheap money with which to handle a great power proposition. He thinks it is all right as representing the farmer to tell them half the story. If he were honest with the American farmers he would have said to them, "There are other processes; here is another method that scientific men of the world claim will obtain nitrates from the air for a much less expenditure of money than by the cyanamide process. That is the testimony," he ought to have said to those farmers, "of Mr. Bell, of Mr. Hammitt, of Mr. Washburn, the officials of the American Cyanamid Co., when they were fighting Mr. Ford and telling the committees of Congress that it could not be done"; but now he is telling the farmers that this property, paid for by the farmers and the other taxpayers of the United States, should be turned over to this corporation, giving them the greatest gift of power that has ever been given anywhere at any time by any government or any corporation or any individual.

Here is the next one that went out. Here is the same thing at the top.

To the editor.

He tells them it will be sent in plate or mat form upon request, free of charge, to one newspaper in each town. All they have to do is to sign the inclosed postal card and drop it in the mails. It does not cost them a single penny.

Now let us see about this circular.

Here is an article or an interview from Mr. W. S. Landis. Let us see what this says, now:

"Under American conditions the cyanamide process is the cheapest one for fixing air nitrogen," declares Dr. W. S. Landis, former president of the American Chemical Society.

Did Mr. Gray tell these farmers or these editors that that man was an official of the Cyanamid Co.? Did he tell them, and if he had been honest with the American farmer would he not have said, "You perhaps ought to look with some suspicion upon the statements of Mr. Landis, because he is one of the officials of the American Cyanamid Co." ?—one of the vice presidents, as I remember. But he does not tell them that. He puts him forth as former president of the American Chemical Society, which is not true. Mr. Landis never was president of the American Chemical Society, so members of that great society tell me; and yet Mr. Gray sends this out to the American farmer, representing the American farmer, as the statement of this great chemist, "former president of the American Chemical Society." He tells us "what's what" about Dam No. 2, when, as a matter of fact, in the first place, he is not former president of the American Chemical Society, and in the next place he is an official of the American Cyanamid Co.

Can a man be honest with those whom he represents, who pay him to represent them, when he puts out that kind of stuff to influence their action, and try to induce them to write to you and to me and to the Members of the other House of Congress telling them what to do about Muscle Shoals? I have no objection to anything Mr. Gray wants to put forth if he will, in the first place, be fair, and in the next place tell the truth. He does not do either one. He has been practicing deception upon the American farmer, who pays him, ever since he has been carrying on this unfair, this wicked propaganda to take from the taxpayers of America this valuable property and turn it over to a corporation for their private gain. That is the representative of the American Farm Bureau Federation!

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. LA FOLLETTE. Does the Senator know who paid the expense of sending out this mat or plate matter, whether it was paid for by the American Farm Bureau Federation or some one else?

Mr. NORRIS. I have some evidence indicating that the American Farm Bureau Federation did not pay it. I have no personal knowledge about it. Mr. Gray was questioned about it and did not answer the questions. He avoided them, just as he is deceiving the farmers here, telling part of the truth, and only part.

I have here the statements of Mr. Bower. This is an article by Mr. Bower, another man who is part and parcel of this propaganda. He is classified here as a "member of President Coolidge's Muscle Shoals inquiry." Probably he was; and this article gives a picture of part of the works down at Muscle Shoals. I had his various statements analyzed by a chemist. I have in my office the analysis made by the chemist. I intended at the time to produce them here and have them published in the RECORD; but I had to stop somewhere. There is no end to this propaganda. I could keep up the recital of it for a week. I thought it would be sufficient to say that every important proposition that Mr. Bower lays down is either partially or wholly erroneous, as analyzed for me by a noted chemist.

In this particular sheet which Mr. Gray sends out is the picture of the boss himself. He is right there—"Chester H. Gray, Washington representative of the American Farm Bureau Federation." He was getting in the limelight somewhat then.

Mr. President, I have here a country newspaper in which that same article is reproduced, you will see. There is Mr. Gray shining out in all his glory, and here are other illustrations. It did not cost that paper anything to get that matter, except that the editor had to sign his name. That stuff was delivered to him. He did not have to set the type. It was all

set up. It came by express, and he simply had to shove it in the press—that is all he had to do—and fill up that space. That was published in the Oxford Standard in its issue of January 12, 1928, published at Oxford, Nebr.

I have here a little editorial in another country newspaper published in the same county, and I should like to read that to show that probably a great many of these newspapers take this matter just to fill up space. Some of them, perhaps, believe the stuff that is in it.

Some of them are conscientious about it. Some of them see the trick, and will not have anything to do with it. That was the case with the editor of the Beaver City Times-Tribune; and he had this to say in his paper about it:

The Oxford Standard fell for the free Muscle Shoals plates and printed them in the last issue of that excellent paper—

It is an excellent paper, too—

This is understood to be propaganda of the powerful Union Carbide Co., although it is sent out by the "Farm Bureau headquarters" in Washington. There is so much of this free publicity stuff that has a hidden motive that it is pretty safe to pass all of it along to the waste basket.

I ought to say, going back again to the article by Mr. Landis that was printed in this second propaganda sheet that Mr. Gray sent out, that Mr. Landis is a chemist. I think he is a great chemist. He is known among chemists as being a chemist. He is one of the chemists of the American Cyanamid Co.; and I am not finding fault with Mr. Landis. Of course, he is in favor of his own company making a whole lot of money if they can get it. He never was president of the American Chemical Society, although very likely he has been an officer or president of some other chemical societies; but the great chemical society at least in the United States, and I think in the world, is the American Chemical Society, and while it is stated that Mr. Landis was president of that society it is not true. He never was.

Mr. President, I am not going to offer all of the material I have here on this propaganda, unless later on I think it becomes necessary. I want to read a letter written from Clarkston, Mont.

Mr. OVERMAN. Mr. President, may I ask where the headquarters of this Cyanamid Co. is?

Mr. NORRIS. I have given it here in my address. I can not recall it offhand.

Mr. FLETCHER. In New Jersey.

Mr. NORRIS. They have a headquarters in Canada and one in New Jersey, too. I think their main American office, at least, is in New Jersey. I can not call the name of the town just now.

This letter is from Clarkston, Mont., and was written by a man who, I think, was the president of the Montana State Farm Bureau. This letter was not written to me. The man who wrote it had written me a letter while I was ill and away from the office, and my secretary wrote him and asked him for some additional information or some proof about the assertions he made. He had claimed in the first letter that probably the American Farm Bureau Federation was not paying the expense of this propaganda that was going on, that he knew something about. My secretary asked him, in his reply—I have all the letters here if anybody wants to see them—if he had any proof of it, and, if he did, to send it; and here is the answer. This is written December 20, 1927:

DEAR SIR: Replying to yours on the reverse side of this sheet, re any positive proof that I may have that Chester Gray was not paid by the Farm Bureau, will say that I can not say that I have any "court room" proof, but I am sure that no officer of the Farm Bureau will deny the fact. I was told by several that was the case, including Mr. Bradfute, who was president then. I told Chester Gray when I saw him six months later that we did not have any use for him, as he had come out to Montana under false colors. He did not seem to understand what I was talking about, so I simply told him we were wise to him; that he had come out to Montana making the positive statement that he was sent by the American Farm Bureau Federation to get first-hand information from us as to what action we wanted them to take on pending legislation, when, as a matter of fact, he was not sent out by the American Farm Bureau Federation at all, but by the Tennessee Development Co., with the sole purpose of selling Muscle Shoals to us. He simply turned and walked away. Did not attempt to deny a word of it.

In fact, it is a well-known fact in Farm Bureau circles.

The Farm Bureau is right on this subject, in fact, so far as their information goes. A lot of the East and South have to spend a considerable amount for fertilizers, and, of course, any suggestion of a cheaper product sounds attractive to them. Chester Gray is a glib talker, and with the so-called data he has been loaded up with he has been able to flimflam a lot of those people.

Mr. Dimmick, president of the Louisiana Farm Bureau, told me at the recent Farm Bureau meeting in Chicago that Gray came down there to their annual meeting and simply put the deal over. He said he did not know the real facts himself till afterwards, but they instructed him to work for the adoption of the Madden bill—

That is this same bill—

so his hands were tied, but he was just as much against it as any one could be, and he was sure if it was brought to his Farm Bureau in its true light their action would be just the opposite of what it was.

I am willing to give a deposition, if desired, that the above are the facts to the best of my knowledge; but I do not think you will have any difficulty in getting Mr. Settle, of the Indiana Farm Bureau, or Mr. Hearst, of the Iowa Farm Bureau, or any of the officers of the American Farm Bureau Federation, to admit the above.

You may find a tendency to not give the information even from those who might be expected to give it. They are set on putting the McNary-Haugen bill on the books. It is conceded we will have to pass it over the President's veto. If they did anything to stop the letting of Muscle Shoals to the Cyanamid people, O'Neil and his bunch—

Mr. O'Neil is a man who lives almost within sound of the roaring waters of Dam No. 2. He is a very fine gentleman, I think. He owns a very fine ranch there, and is an active member of the Farm Bureau, as I understand, and very much in favor of getting this bid through because he thinks it will build up a city in that vicinity, probably, and might enhance the value of his property.

O'Neil and his bunch might be able to control the one or two votes needed to pass it over the veto.

O'Neil repeatedly made the threat at the American Farm Bureau Federation meeting in Chicago, "No Muscle Shoals, no McNary-Haugen." But for me, while I want the McNary-Haugen bill enacted into law as bad as anyone, I am not inclined to buy it at that price. The above are all actual facts, and if it means the waiting for the McNary-Haugen bill till we can elect another President I am willing to do it rather than permit myself to be sandbagged into standing for such a crooked deal as the Muscle Shoals deal is or I believe it is.

The balance of the letter is something referring to me personally, which I will not read. That is signed by Mr. W. L. Stockton, president of the Montana American Farm Bureau Federation.

Here is a letter that Chester Gray sent, I presume, to all Senators, and I suppose that is the reason I got a copy of it. It is dated February 8, 1928, and reads:

As the time approaches when the question of disposition of Muscle Shoals must be taken up by the Senate there are certain facts that the American Farm Bureau Federation desires to present for your careful consideration.

Unquestionably the argument will be made on the floor of the Senate that the great nitrate plant which the Government built at Muscle Shoals is obsolete and can not be used for the manufacture of fertilizer.

He seems to know what the argument is. I suppose he had been told by the officers of his own company, because they testified to that once before, before the committees of Congress.

This same objection has been raised to every proposal to operate the plant that has been offered.

In order to get at the real facts we have made a careful survey of the position of the cyanamide process and have pictured the results of the study in the inclosed map. It is an important decision that you must make on this question and involves the virtual scrapping of a plant which cost $67,000,000.

I called attention, I think on Friday, to the fact that while the cost of nitrate plant No. 2 was ordinarily given as $67,000,000, that included the steam plant, which would be worth a hundred cents on the dollar even if nitrate plant No. 2 never existed as an auxiliary to Dam No. 2.

Our contention is that this plant is not obsolete and that it can render a real service to American agriculture. We believe that this contention is fully justified by the facts as presented to you on this map.

We have an offer to take over this plant and operate it in the interests of agriculture which offer is embodied in the Willis-Madden bill. It is our purpose to send you further information covering the various phases of this controversy, but the first premise to be established is that the cyanamide process is not obsolete and we believe a careful study of this may well convince you of the truth of this basic fact.

It was that map to which his attention was called when he testified before the committee, and he had to admit in his cross-

examination that he had stated but part of the facts. It does not appear there that in the last five years, but particularly within the last year, the increase of production by the synthetic process in various places in the world has by all odds outstripped anything else in the way of getting nitrogen from the atmosphere. I gave the figures, and they are in the record, but speaking from memory now, I think it is shown that there was last year under construction machinery with a capacity of 316,000 tons, and very much less than that in the cyanamide process; that back in 1913 there was only one synthetic plant in the whole world, and that manufacture by that process has been growing since the war by rapid strides; that all of the synthetic-process plants were run at practically full capacity during the past year, which is not true of the cyanamide-process plants. He does not tell anything of that kind on this map. He is not fair either to the American farmer or to Senators. This map is deceptive. It tells only a part of the truth, and the purpose of the deception is to deceive you, Senators, and get your votes for something that could not get your votes if it had to stand on its own merits.

Mr. President, this is not a one-sided proposition. There are many people who honestly believe that we ought to accept this bid. In 90 cases out of 91 it will be found that honest men, who have no selfish interest involved, who favor it, have not studied it, but have taken the word of Chester Gray on it. They feel as though they have a right to take his word, and they ought to be able to feel that way. I do not like to say harsh things about any man, but when I see a man in his position trying to deceive the American farmer as to the true facts, I believe it to be my duty to expose it, at least to the extent that is necessary to enable people to properly consider the legislation which he proposes. I am making these remarks with no other motive.

I realize that some farm papers are supporting this proposal. They, like human beings, sometimes err. The great bulk of the farm papers, in my judgment, are on to this little scheme, and are opposing it. I have in my office copies of farm papers whose combined circulations number many millions, which have editorially denounced it. They are gradually coming over.

Here is a copy of the Southern Ruralist, printed in Atlanta, Ga. It is very much in favor of this legislation. It may be perfectly conscientious, but when I turn to page 9 of that newspaper I see a whole page advertisement, bearing in large type the name "Cyanamid," which can be read clear across the Senate Chamber. That may have nothing to do with the editorial policy, of course. It may be just an incident, may have just happened, but it does happen that this great farm paper, which, as I understand, has a very large circulation through the South, happens to be on the favored list of the Cyanamid Co., and they carry an advertisement in that paper. I have read that advertisement, and I do not believe that from the standpoint of selling the article they are advertising there, the advertisement would result in the disposition of a single pound. It seems to me that it is a clever excuse, and nothing else. I may be entirely wrong about that.

I realize that this man Chester Gray sent for several editors of some southern farm papers—and I think this was one of them—and had them up here to convince them that the great Senator from Ohio who introduced this bill, and who I would like to have explain it some time before it is voted on, was right in asking the Senate to support this Cyanamid bid. Yet, while they were up here, he did not find it possible to let me see those noted editors. It may all have happened naturally. I was particularly anxious to see them. I would have spent the day with them and the evening with them if they had given me a chance. Mr. Gray did call me on the phone and say, "I have this committee here of farm editors and we would like to see you and get your ideas about Muscle Shoals." I said, "I am very anxious to see them." That was about 10 o'clock, and he wanted to come at 11 o'clock. I said, "I have an appointment at 11. Can you not come after lunch, at 1?" He said, "We have an appointment at 1. We will come at 4." I said, "All right, come at 4." I stayed in my office from 4 until 7 waiting for them to come, and did not get an opportunity to see them. They do not have to see me about it, I admit; but it seemed to me that having been chairman of the Committee on Agriculture of the Senate and having been mixed up in this matter from the beginning, if the representative of this great farm organization wanted to get light, he would at least have brought the men around to get both sides of the question.

I wrote to each one of them afterwards. I have been told—I do not say that it is true—that an article was written in the shape of a letter giving my reasons why I could not support this bill, and I supposed while they were discussing both sides of it that they would at least give it publication. This great newspaper that carries this advertisement, I am told—I only get that from information—even refused to publish my letter. I may be wrong about that.

Mr. President, I have another letter in my pocket. I am reminded of it because the Senator from Washington [Mr. JONES] just entered the Chamber, and it is a letter to him. It was written to him from Colfax, Wash., signed by J. Carl Laney, secretary-treasurer of the Washington State Farm Bureau. He said:

DEAR SENATOR JONES: The farm bureau members of the State of Washington, and we believe other farmers also, are entirely out of sympathy with the efforts of Senator NORRIS—

Then he gives some Congressmen's names—

in their efforts to sidetrack the manufacture of cheap fertilizer at Muscle Shoals.

So he goes on in the letter. Who gave this man the information that I was trying to prevent the manufacture of fertilizer, or that I was trying to sidetrack this proposition? Who gave to this representative in the State of Washington, who can not afford, of course, to come here and study the matter himself, the idea that I, in effect, was fighting the farmers of the United States? Where did he get this information? I do not know positively, I could not swear to where he got it, but there is no doubt in any Senator's mind here as to where he got it. There is no question but that he got it from this man Gray, saying to the farmers of America, "Here is this man, who has been for years the presiding officer of the Agricultural Committee of the Senate, working against the interest of the American farmer, because that is what it means."

Is that fair? Every Senator here knows that it is not only unfair but that it is untrue. I may be fooled, I may be deceived, I may be ignorant, I may be unable to comprehend a fair proposition, or to look squarely through a legislative steal or propaganda, but nobody who knows what my work has been for the last six or seven years will claim that I have done anything except my conscientious duty to help the American farmer. When this man sends out that kind of word that he must know is not true, he is falsely representing the farmers of America.

Mr. President, I am not through with this subject nor this branch of the subject, but if the Senator from Kansas [Mr. CURTIS] wants to have an executive session I am willing now to yield the floor for the day in order that he may make the motion.

ARTICLE BY MAYOR WILLIAM HALE THOMPSON

Mr. WATSON, Mr. President, I ask unanimous consent to have inserted in the RECORD an article by Mayor William Hale Thompson, of Chicago, entitled "Shall we shatter the Nation's idols in school histories?" appearing in the February Current History.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHALL WE SHATTER THE NATION'S IDOLS IN SCHOOL HISTORIES?

Treason-tainted school textbooks were a big issue in the Chicago mayoral campaign last spring.

I exposed in speeches and campaign literature the vicious pro-British, un-American propaganda in the school histories which were in the Chicago public schools with the approval of Supt. William McAndrew, who had been imported from New York by the Dever administration through influences exerted by Prof. Charles E. Merriam, of the University of Chicago, and members of the English Speaking Union. I showed how in many histories Revolutionary War heroes were defamed when mentioned, and how many were treated with the silence of contempt by being omitted entirely from the school histories. I revealed that League of Nations and World Court propaganda were distributed in the public schools under McAndrew; that the Spirit of '76 and other patriotic pictures had been stripped from the school walls; that McAndrew had expressed satisfaction with this desecration in the educational magazine he edits; that McAndrew had denied the Chicago public-school children the privilege of contributing their pennies and dimes to the fund for the restoration of the historic frigate *Constitution* ("Old Ironsides"), which collection and cause had been indorsed by President Coolidge.

To my meetings in the mayoral campaign I took a copy of Arthur Meier Schlesinger's history, New Viewpoints in American History, which history was the textbook in a history course conducted by the University of Chicago for Chicago school-teachers who sought advancement through extra credits in history. I read to my audiences the following, among other passages from this infamous history, which was being taught to our school-teachers, to be taught by them in turn to the 550,000 school children of Chicago:

"When the representatives of George V rendered homage a few years ago at the tomb of the great disloyalist and rebel of a former century, George Washington, the minds of many Americans reverted with a sense

of bewilderment to the time when another King George was guiding the destinies of the British Nation. The fact is that the average American still accepts without qualification or question the partisan justifications of the struggle for independence which have come down from the actual participants in the affair on the American side.

"These accounts, colored by the emotions and misunderstandings of the times and designed to arouse the Colonists to a warlike pitch against the British Government, have formed the basis of the treatment in our school textbooks and have served to perpetuate judgments of the American Revolution which no fair-minded historian can accept to-day." (P. 160.)

I pledged the people of Chicago that if elected mayor I would stop the teaching in the public schools that George Washington was "a rebel" and "a traitor"; that I would have recognition given to the heroes of Irish, Polish, German, Holland, Italian, and other extractions who had been dropped from the histories; that I would stop the defamation of America's heroes; that I would see to it that the histories were brought back to the American viewpoint and American ideals that formerly prevailed.

This issue was accentuated and emphasized, coincident with the mayoral campaign, through the activity of a patriotic group of Chicagoans called the Citizens' Committee for the Investigation of History Textbooks. Capt. William J. Grace, who commanded a machine gun company overseas in the World War, was one of the prime movers in this organization.

Some months after I began reading the Schlesinger history to audiences and exposing other unpatriotic propaganda, publicity was given in February, 1927, in one Chicago newspaper to a report on histories by this body. This report set forth in detail the charges that I had been making against the histories in my public speeches, and concluded with a petition that the histories be barred from the public schools.

Mayor Dever also accentuated the issue. Although on April 5 the Chicago voters were to decide who should administer their affairs for the next four years, Mayor Dever forced through the city council on February 23, 1927, a list of three new school trustees for six-year terms to succeed trustees whose terms had expired. This action had in view the purpose of assuring a Dever board of education for the next four years, irrespective of who won in April for the four-year mayoral term. There were strong public protests voiced against this action, but the Dever-Brennan machine, intrenched in power and backed up by powerful newspaper support, secured council confirmation for the Dever appointees.

SELECTION OF SCHOOL BOOKS

March 9 was the date set by statute for the school board to make its annual selection of books to be used in the public schools for the ensuing year. Before that important date, as Captain Grace has testified in the McAndrew trial, the petition-report of the Grace committee was placed in the hands of Mayor Dever, Superintendent McAndrew, and Dr. Otto L. Schmidt, then president of the Chicago Historical Society and a pro-McAndrew school trustee. But, as Captain Grace testified, McAndrew, instead of presenting the report to the board of education, suppressed it. It was not before the board on March 9, when the matter of considering the books for the ensuing year came before the board, and the board on recommendation of Superintendent McAndrew again included in the list of books for the Chicago public schools the histories which I had denounced, which the citizens' committee had denounced. The citizens' committee did not get the hearing on their report which they had requested for some date in advance of the annual book-adoption action of the board.

On March 18 McAndrew, although he still was suppressing the Grace report, addressed a communication to the board in which he defended the histories complained of, and declared that the citizens' committee's report (which the board had not seen) was without merit. Here is one quotation from Superintendent McAndrew's communication to the board of March 18: "Our Chicago course in history is not at fault in any of the points alleged." The superintendent induced certain persons to sign the communication with him.

So with the history issue clear—with Mayor Dever and Supt. William McAndrew standing by the unpatriotic histories which I, members of the Grace committee, and others publicly denounced—the mayoralty election came on April 5. I was elected by a plurality of 83,000. I proceeded to carry out the pledges I had made to the people; but this was the situation: A new mayor elected by the people, but the board of education in control of trustees appointed by the defeated mayor, and Superintendent McAndrew, with term unexpired, supporting the anti-American histories.

The fight went on. On May 3 the Grace patriotic committee finally was given a hearing by the school administration committee of the board of education, the hearing they had so diligently sought for on a date before the annual adoption of textbooks on March 9. The feature of that meeting of May 3 was this statement by Dr. Otto L. Schmidt, pro-McAndrew trustee (I quote from the stenographic transcript):

"I can not get away from the idea that after all it was the great Anglo-Saxon race that were the founders of it [our country] and were connected with and were the guides and took the most active part and the largest part in the large development of this country."

On May 28 there was another meeting, this time at the Chicago Historical Society. There were present three university professors, several school-teachers, Superintendent McAndrew, Doctor Schmidt, and Captain Grace. Superintendent McAndrew called the meeting to order and summoned Doctor Schmidt to the chair. The history professors gave caustic attention to "amateur historians," referring to the patriotic and highly educated members of the Grace committee; and generally all speakers, save Captain Grace, gave approval to the histories in the schools. Captain Grace stated that it was the contention of his committee that American school children were entitled to have American history written by Americans from the American viewpoint.

The school-teachers did not say anything. With reference to them Attorney Grace, in his testimony in the McAndrew trial, made this significant comment: "A dozen of the teachers came up afterwards and said to me, 'We believe you are right; of course, you are right! But what can we do; what can we do the way things are?'" I cite all this to show that McAndrew and his chief supporter, Dr. Otto L. Schmidt, stood by the unpatriotic histories after their faults had been pointed out by me in hundreds of speeches and by the Grace committee; that both before and after election they stood by the pro-British books.

But "things" did not stay as they were. Thanks to one Dever-appointed trustee who resigned, and to two Dever-appointed trustees who changed their positions with reference to McAndrew, my policies as indorsed by the people at the mayoral election finally became, last summer, the policies of a majority of the school board. Then by majority vote Superintendent McAndrew was suspended; then started, in accordance with the statutes of Illinois, the McAndrew trial, now of international fame, before the Chicago school board. The present line-up, as indicated by various test votes since the trial started, is as follows:

For McAndrew and unpatriotic histories: Trustees Otto L. Schmidt, Walter J. Raymer, Helen Hefferan, James Mullenbach—total, 4.

Against McAndrew and against unpatriotic histories: Trustees J. Lewis Coath, Theophilus Schmidt, John A. English, Oscar Durante, James A. Hemingway, Walter Brandenburg—total, 6.

In doubt: Trustee Charles J. Vopicka—total, 1.

Sworn testimony in the McAndrew trial has corroborated all that I charged in the mayoral campaign; revealed even more than I had charged. The truth of my charges that American school histories have been falsified and denatured, through pro-British influences, to the end that our children may be denationalized and fitted for Anglo-American union, has been shown with startling clearness in textbooks submitted in evidence.

Three of them present John Hancock as a "smuggler" only, with not one word of his great public service. (Everett Barnes: Short American History, Vol. II, p. 9; McLaughlin and Van Tyne: History of the United States, 1919, pp. 140, 153.)

Samuel Adams fares little better. West calls him "the first American political boss," and Hart calls him "a shrewd, hardheaded politician" (p. 125).

Hart (151), Muzzey (162), and McLaughlin and Van Tyne (238), all teach that Alexander Hamilton is said to have once exclaimed: "The people, sir, is a great beast!"

Six proclaim this to have been a popular toast: "Thomas Jefferson: May he receive from his fellow citizens the reward of his merit—a halter." (McLaughlin and Van Tyne, p. 249.)

Hart teaches that Jefferson was looked upon by Federalists as "an atheist, a liar, and a demagogue." (School History of the United States, 1920, p. 190.)

Patrick Henry is set forth by McLaughlin and Van Tyne to our children as "a gay, unprosperous, and unknown country lawyer" (p. 141).

By Ward it is taught of Washington:

"If you had called him an 'American,' he would have thought you were using a kind of nickname. He was proud of being an Englishman." (Burke's Speech on Conciliation, p. 10.)

One has given a half page of praise to Benedict Arnold. In the same book (Everett Barnes's) it is taught that—

"The Continental Congress was a shameful scene of petty bickerings and schemings among selfish, unworthy, shortsighted, narrow-minded, office-seeking and office-trading plotters (p. 34).

"We can afford now to laugh at our forefathers," McLaughlin and Van Tyne teach (p. 262).

"The righteousness of the American Revolution is questioned in a dozen Anglicized history textbooks. Professor Muzzey, for instance, teaches that it was 'a debatable question whether the abuses of the King's ministers justified armed resistance'" (p. 115).

Professor Hart is teaching in one of his textbooks:

"To this day it is not easy to see why the colonists felt so dissatisfied. They professed, and doubtless felt, the warmest attachment to the King, whom God and Parliament had provided for them." (New American History, 1916, p. 120.)

Professor Ward's text teaches:

"As long as there lurks in the back of the American consciousness a suspicion of English tyranny in 1775, so long will misunderstanding prevent the English-speaking nations from working in accord to develop Anglo-Saxon freedom." (Preface.)

The Anglicized school histories, submitted in evidence in the McAndrew trial, bristle with fulsome laudation of British democracy, British ideals, British institutions, and British achievements, those of America being made to appear as poor imitations. Children in the schools are taught in these texts that "our country's history has been hitherto distorted through unthinking adherence to traditional prejudices" (Guitteau: Our United States, 1919, preface), but is now to be "set right" through "newer tendencies in historical writing" (Muzzey, editorial preface); through "scientific exactness of higher historical scholarship" and "emotions of new-found gratitude to England." (Ward, introduction.)

PERNICIOUS TEACHINGS

False and pernicious teachings run through the Anglicized textbooks from beginning to end, such as follow in West's History of the American People:

"Most of the settlers were servants, and a rather worthless lot" (p. 67).

"They were a bad lot, with the vices of an irresponsible, untrained, hopeless class * * * cheats and drunkards from this class * * * led to crime or suicide" (p. 72).

"Democracy * * * the meanest and worst form of government" (p. 80).

"Many of them paid themselves indirectly for their devotion to public service by what would to-day be called graft" (p. 132).

"Pettiness and ignorance on the part of the colonists" (p. 141).

"Wolfe had only 700 Americans, whom he described as 'the dirtiest, most contemptible, cowardly dogs * * * such rascals are an encumbrance to an army'" (p. 182).

"Washington declared that he would have been wholly helpless for a long time had he not had under his command a small troop of English soldiers" (p. 183).

Those who took part in the stamp act protests, the Boston Tea Party, the Boston Massacre, and the capture of the *Gaspee* are referred to as "mobs." (West, 201, 206; Muzzey, 97; McLaughlin and Van Tyne, 146.)

The American Revolution, according to West (p. 178), was a calamity which "split the English-speaking race." The only hope Professor West has for America he states thus: "Now, after a century and a half, the two great divisions of the English-speaking race are coming together once more in sympathetic friendship, again to double their influence" (p. 243).

Among all the "Anglo-American professors of history" Dr. David S. Muzzey appears to rank first as scandal monger and mudslinger. His textbook, American History (1925), is used in more Chicago high schools than all other history texts combined. On page 170 he says:

"George Washington was reviled [by the press] in language fit to characterize a Nero. 'Tyrant,' 'dictator,' and 'despot' were some of the epithets hurled at him. He was called the 'step-father of his country,' while some one or other is said to have said that 'the day was hailed with joy by the Republican press when this imposter should be hurled from his throne.'"

Under the pretense of "promoting more friendly relations" and "mutual understanding" with Great Britain, our school children are now taught not the consecrated maxim, "Taxation without representation is tyranny," but, quite to the contrary, that "in England's taxation of the Colonies there was no injustice or oppression" (A. C. McLaughlin: History of the American Nation, p. 152), and that the real reason independence was sought was that after England had at great cost crushed out autocracy in the Western Hemisphere, the colonists no longer needed the protection of the mother country, and were unwilling to pay their fair share of the costs incurred.

Faneuil Hall, "the cradle of liberty," is of no consequency in these new histories, nor is the mutiny act, the stamp act, or the Boston Massacre.

The martyrdom of Nathan Hale, whose only regret on the British scaffold was that he had but one life to lose for his country, is in all of them ignored. In most of them there is no mention of Joseph Warren, Ethan Allen, Anthony Wayne, Paul Revere, Molly Pitcher, Betsy Ross, General Herkimer, General Schuyler, Von Steuben, De Kalb, Kosciuszko, Pulaski, John Stark, or Commodore Barry. Such important battles as Bunker Hill, Bennington, Oriskany, and Kings Mountain are omitted. The decisive victories of Ticonderoga, Saratoga, New Orleans, and the capture of the *Serapis* are belittled. The inspiring slogans, "We have met the enemy and they are ours." "Don't give up the ship," and "I've not yet begun to fight," are omitted or discredited.

PRO-BRITISH ORGANIZATIONS

The Carnegie Foundation, Rhodes Scholarship Fund, English-speaking Union, Interdependence Day Association, and other pro-British and pacifist propaganda organizations have been shown to have direct connection with these alterations, their own officials having written several of the Anglicized textbooks. The flood of evidence in the McAndrew trial, to which no answer has been offered because it is unanswerable, overwhelmingly proves that organized foreign influences pervade the colleges and public schools of our country, and have caused these authors to rewrite American school history from the British standpoint.

Pending the ousting of McAndrew and the restoration of real American histories to the public schools, I wrote the board of education on November 22 to notify history teachers to give oral instruction with reference to the lives and achievements of the many heroes of many nationalities now denied their proper places in the school histories. Among these "lost heroes" which I urged the teachers should bring back into the light are the following:

"Casimir Pulaski and Tadeusz Andrzeja Bonawentura Kosciuszko, Polish noblemen who made magnificent records in the American Revolution, the former giving up his life in the cause of freedom, but their deeds have been wiped out of Anglicized school history.

"Baron von Steuben and Johann De Kalb, Germans, who played glorious parts in the Revolution, the former being George Washington's chief drill master, bringing to the recruits the training and experience of the army of Frederick the Great. De Kalb, serving with the French troops, was mortally wounded at Camden.

"Gen. Richard Montgomery, in chief command of the Northern Army, and these other Irishmen:

"Gen. Henry Knox, who was the head of Washington's artillery; Commodore John Barry, brilliant sea fighter, first American commodore and Washington's first head of the United States Navy; Gen. Daniel Morgan, leader of Washington's infantry; Gen. Stephen Moylan, commander of his cavalry; Gen. Edward Hand, his adjutant general; Gen. Joseph Reed, his secretary; John Sullivan, Anthony Wayne, John Stark, and William Irvine, whom Washington made generals—all of these fare sadly at the hands of English-sympathizing histories now in the public schools. For instance, Historian Hart gives sole credit for the attack on Quebec to Benedict Arnold, with no mention at all of General Montgomery, who commanded and who lost his life there.

"Dutch heroes and pioneers, including Gen. Philip Schuyler, who played leading parts in Revolutionary days in Pennsylvania and New York; Swedish heroes and founders who played similar rôles in New Jersey and Delaware, and French heroes of Carolina.

"Nathan Hale, born in America and educated at Yale, who, just before being hanged by the British, said that he regretted he had but one life to give to his country. Also Gen. Abner Clark, George F. Harding's heroic ancestor, should be put back in the histories."

In this letter of November 22 to the board of education I called attention to another matter, as follows:

"I am informed that the University of Chicago man, Howard C. Hill, who has been teaching the unpatriotic Schlesinger history to the Chicago school-teachers, is the same Hill who now appears as the sole adviser of the committee which has put in the junior high schools the course of study in history and other 'social studies.' If, in fact, he is the same man, I recommend that he be eliminated from the Chicago public-school situation at once. While I am mayor I do not propose to have the school children taught that George Washington was a rebel and a traitor."

Unable to answer the charges in the McAndrews trial, the unpatriotic pack, perniciously busy in Chicago as elsewhere, resorted to falsehood. They broadcasted the story that I intended to burn up books in the library. Sounding this false alarm of fire, they tried to divert attention to the lake front to see a library fire. Beaten and silenced in the forum of reason, they resorted to lies and ridicule, featuring and headlining "the library fire" and "Bill Thompson's private war with the King of England." In the two letters I wrote to the Chicago Library Board last fall, the only letters I have written to this body since my election last April as mayor, I said:

"Please understand that I am not officially concerned in what books are on the library shelves, and I rejoice in the fact that we live in a day of free speech and free press, but it becomes an official matter and one of public concern when public officials, like our librarians and library trustees, suggest the reading of particular books; put them in reading courses and use their official positions and the influence and edifices of the public library system to circulate and impress certain of the teachings of such books."

TRUTH ABOUT LIBRARY ISSUE

In addition to reiterating the foregoing statement in my second letter of November 4 to the library board, I wrote also in that second letter:

"It is not to the texts of library books that I take exception but to the teaching of certain texts.

"A library is 'a depository of human thought.' It might, too, be termed a reservoir of human thought contributed by men and women, great and near great, of many climes through the centuries of civilization.

"No man in America to-day has fought harder, and at such sacrifice, as I have fought for the free speech and free press guaranteed by our Constitution. It is far from my mind and my ideals to censor the hundreds of thousands of books on the library shelves, and you know it, but I do step in when, under official sanction, propaganda pipe lines are led out of that reservoir of knowledge to poison the minds of American citizens."

What I objected to and protested against in the library case were certain booklets in a "reading course" prepared by the American Library Association and circulated with the official sanction and approval of our own public library, particularly one written by Herbert Adams Gibbons, of Princeton. Frederick Bausman, distinguished author and former justice of the Supreme Court of the State of Washington, found this pamphlet in the Seattle Library early in 1927, and its contents so shocked him that he wrote for the American Mercury a magazine article protesting against this and similar propaganda. This article was generally commended by patriotic citizens throughout America. Judge Bausman was one of the many distinguished witnesses who took the stand in the case against McAndrew and gave support to my charges of anti-American propaganda in schools and library-teaching courses in Chicago and in the country generally. Among such witnesses were Charles Edward Russell, Charles Grant Miller, and Frederick F. Schrader.

As I said in my letter of November 4 to the library board, I was amazed to find that this Gibbons anti-American booklet was still part of the Chicago Library official reading course—evidence to my mind that, even though the Canadian president no longer was at the head of the American Library Association, pro-British, anti-American propaganda continued to percolate through the libraries of Chicago and other cities. I pointed out other pro-British booklets in this American library reading course that were being circulated through the Chicago Library and the libraries of nearly all cities in America, and, incidentally, I pointed out that the Chicago Public Library trustees were violating the law by selling these booklets. So much for the Chicago Library case. So much for the details of the exposures in the McAndrew histories case.

Those who can not answer and have not answered in the forum of reason of the Chicago School Board trial have been seeking to ridicule and discredit my efforts to drive out anti-American propaganda from public-teaching courses in Chicago, in accordance with the pledge I made to the people, in accordance with the mandate from the people which came in the Chicago mayoral election at which 1,000,000 men and women cast ballots. The campaign of misrepresentation, ridicule, and abuse which has been waged against me, in America as well as abroad, should be a matter of serious concern to all who hold sacred the ideals and institutions of our Government. Why this opposition? Why this rage against an executive of a great American city who is but doing his plain duty? Do foreign powers plot to do by propaganda, circulated through innocent or unscrupulous agents in this country, what they have been unable to do by armed force? Have some persons the motive and hope of stupendous rewards through the cancellation of foreign war debts? Is an inferior Navy the goal sought? Is love for England greater with some than love for America? What is there for Americans to ridicule in the slogan "America first"? Is a man to be laughed at because he defends the name and fame of George Washington? Are we nearing a day (which some of the disloyal historians desire) to laugh at the founders of our Nation?

ATTITUDE OF FOREIGN ELEMENTS

Some critics scoff and say, "What's the school board fight all about?" They know, but they do not want to admit they know. The people of Chicago know and understand. The Poles have held a great mass meeting, at which they indignantly protested against the dropping of the names of Kosciuszko and Pulaski from the school histories. Citizens of German and Irish extraction in mass meetings in Chicago and elsewhere have protested against the wrongs done heroes of those nationalities. Chicago citizens of Dutch descent have met and passed resolutions tendering me support and protesting because there has been eliminated from the school histories credit due to Holland in the cause of democracy and freedom and credit due to Dutch pioneers in America.

Chicago citizens of Italian extraction have passed resolutions protesting against the teaching that "the spirit and institutions of our country are English"; declaring that the proposed English-speaking Union would "crowd to the background American citizens of other nationality origins"; pointing out that, because of the suspicion in Central and South America that we are tying up with England, our country has lost much of the friendship and confidence the Latin people of those countries formerly entertained for us. Other nationality groups have passed, or are now preparing to pass, similar resolutions. The Italians and others in their resolutions enthusiastically concur in the statement I made in my first letter last fall to the library board:

"In truth our national greatness was achieved, not by one but by many nationalities, and the present surpassing position of our country is due to the fact that here in America we have brought to the national surface the best in ideas and ideals of all nationalities, and the mingling of many strains has produced the highest type of civilization and the highest level of attainments in the world's history."

The Chicago case is not isolated. School books here are used in other cities. Some cities have thrown out propaganda-distorted books; most of them have not. The histories that the big cities use go to the small cities and to the crossroad schoolhouses of the country districts. So this matter of treason-tainted histories is not a Chicago local situation; it goes to the whole Nation. The reading courses of the American Library Association are circulated in libraries generally throughout America. What Judge Bausman found in the Seattle Public Library, I found in the Chicago Public Library. What we here in Chicago have found in our perverted school histories, people of other cities have found or are finding in their histories. This is not the case of Thompson against McAndrew. It is the case of patriotic Americans everywhere against those who defame our national heroes and make assaults on our national institutions.

The Christian church rests upon the divinity of Christ. To attack that is to assail the spiritual life of the Christian church. American patriotism rests upon the nobility of George Washington, father and founder of the Nation, and the righteousness of the cause of freedom and independence that he led. Take that away and the patriotic structure falls, leaving but the shell of commercialism. The nobility of heroes, with belief in their cause and their ideals, is to the Nation, what divinity is to religion. Freedom is in peril if the people turn from the ideals of the founders, because out of those ideals came the Nation. Patriotism lives by the light of her heroes. Nations have their shrines of patriotism, as churches have their altars of divinity. The patriotic must guard the one, as the devout protect the other. Drop the heroes from the country's histories, and you take the stars out of the firmament of patriotism.

"THE LAW OF ELIGIBILITY"

Mr. HEFLIN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Gilbert O. Nations, appearing in the Protestant for January, 1928, entitled "The law of eligibility." The article has reference to the eligibility of a Roman Catholic for the office of President of the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A few lawyers are being drawn into the press discussion of the right of a Roman Catholic to be President of the United States. But it appears difficult for American lawyers, however learned and skillful in constitutional questions, to appreciate all the legal aspects of the problem.

They point very properly to the third clause in Article VI of the Constitution of the United States and to the first amendment to that great document. The former prohibits any religious test as a qualification to public office. It reads as follows:

"The Senators and Representatives before mentioned, and all the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support this Constitution; but no religious test shall ever be required as a qualification to any office or public trust under the United States."

The first amendment is one of the 10 articles designed further to protect the rights of the people which were appended to the Constitution virtually as a condition of its ratification by the requisite number of States. That amendment prohibits Congress from interference with freedom of religion or of expression. It reads:

"Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

Prima facie those provisions appear to remove any valid legal objection to a Roman Catholic for the Presidency. If such objection rests on religious grounds alone, it must obviously be disallowed under the foregoing clauses of the Constitution. No careful lawyer can dissent from that view.

But religion is not the basis of the objection. It is precisely at this point that most legal discussions fail to grasp the real issue and the true attitude of the opposition. The legal status—not the religious status—of Roman Catholics differs essentially from that of most other people. It is the legal status alone which provokes objection to their presidential eligibility.

It is that basis on which the question must be determined. Roman Catholicism is a political system as well as a religious one. Indeed, it is primarily civil and political. This assertion rests not on prejudice or passion. It is firmly buttressed in the law of the Papacy, which is paramount to all other law in its binding force on all Roman Catholics.

"Let facts be submitted to a candid world." Let the highest legal authorities of the Papacy be considered. Only thus can the root and kernel of the issue be discerned. Sedulously kept in the difficult Latin to hide its provisions from the modern world, the public and private

canon law is less familiar to the learned bar than other judicial systems.

The statutes at large of the Papacy exist in scores of ponderous tomes hoary with age. They contain more than a thousand years of papal legislation. For want of codification in centuries, this material had become so voluminous and so ill arranged as to be difficult of administration and enforcement.

This condition caused Pope Pius X, on March 19, 1904, to issue an order, technically called a Motu Proprio, that those statutes in most constant use be compiled into a code for the convenience of the hierarchy and clergy. For 13 years eminent canonists, called to Rome for that purpose, were busy, under direction of the papal Secretary of State, in executing the order of the Pontifical throne. The work was finished about 10 years ago.

In an official brief known as Providentissima, Pope Benedict XV gave the force of law to the compilation. It was published by the Vatican under the name of Codex Juris Canonici—Code of Canon Law. In a 10-volume commentary on this code, Dr. P. Charles Augustine, a Roman priest, has translated the brief Providentissima into English with the approval of Archbishop Glennon of St. Louis, as evidenced by his imprimatur. The following excerpts from the brief attest the universal binding force of the code:

"Therefore, having invoked the aid of divine grace, and relying upon the authority of the Blessed Apostles Peter and Paul, and of our own accord and with certain knowledge, and in the fullness of the Apostolic power with which we are invested, by this our constitution, which we wish to be valid for all time, we promulgate, decree, and order that the present code, just as it is compiled, shall have from this time forth the power of law for the universal church, and we confide it to your custody and vigilance."

The brief is addressed to the hierarchy occupying thousands of thrones in all parts of the world. The very name of hierarchy, from the Greek, means the governing priesthood. It is the hierarchy to whose custody and vigilance the Sovereign Pontiff confided the code for enforcement under sanctions indicated in a later clause of the brief thus:

"For no one, therefore, is it lawful willingly to contradict or rashly to disobey in any way this our constitution, ordination, limitation, suppression, or derogation. If any should dare to do so let him know that he will incur the wrath of Almighty God and of the blessed Apostles Peter and Paul."

The specified sanctions include the wrath of Almighty God and of Peter and Paul. Assuming to be the successors of Peter, the Popes are accustomed, by an easy metonymy, to mention the authority of Peter when they mean their own. The context discloses that obvious meaning here. The sanctions of God are spiritual, but those of Peter and of the Pope as his alleged successor are physical and corporal and may even be capital. The scope of the latter appears in Elements of Ecclesiastical Law, by Dr. Sebastian B. Smith, published in three volumes with imprimatur of Cardinal McCloskey, of New York. On page 90 of volume 1 this appears:

"Has the church power to inflict the penalty of death? Cardinal Tarquini thus answers: 1. Inferior ecclesiastics are forbidden, though only by ecclesiastical law, to exercise this power directly. 2. It is certain that the Pope and the ecumenical councils have this power at least mediately; that is, they can, if the necessity of the church demands, require a Catholic ruler to impose this penalty."

Doctor Smith's work was published 40 years ago in New York. While civil government has all but abandoned the infliction of capital punishment, the canon law still retains it as an unquestioned prerogative of the Papacy. Under that prerogative in papal hands, millions of exalted Christian saints have given up their lives.

But all this would be less germane to the question in hand if the canon law were limited in its operation to religion. But it treats virtually the whole field of human rights. It invades basic prerogatives of civil authority. It flatly contradicts American constitutional and statutory law. Its boundless scope has, through many centuries and in every land where the hierarchy is strong enough to enforce it, engendered hostile conflict with the law of the State. Among the infinite number of points in which it contradicts American law, space will permit the mention of but few.

1. The Papacy claims and enjoys the status of a sovereign power and member of the family of nations. It maintains a secretary of state, and its Sovereign Pontiff occupies a throne, wears a crown, enacts laws, makes treaties with civil powers, and has diplomatic relations with 34 countries.

2. Canon law condemns popular sovereignty and government by the people. On page 123 of his Great Encyclical Letters, Pope Leo XIII stated the papal law on that question in these words:

"The sovereignty of the people, however, and this without any deference to God, is held to reside in the multitude; which is doubtless a doctrine exceedingly well calculated to flatter and inflame many passions, but which lacks all reasonable proof, and all power of insuring public safety and preserving order."

3. It rejects the American doctrine of separating church and state. Forty years ago Leo XIII made a concise statement of canon law on that subject. It appears at page 148 of his Great Encyclical Letters thus:

"Hence follows the fatal theory of the need of separation between church and state. But the absurdity of such a position is manifest."

4. It denies the elementary doctrine of all other legal systems, including our own, that title to real and personal property emanates from the state or is dependent in any way on civil authority. A brief and somewhat incomplete statement of the papal doctrine appears in Canon 1495 of the code. It is translated by Woywod, a Roman priest, in his work on The New Code of Canon Law, published with imprimatur of Cardinal Farley of New York, in these words:

"The Catholic Church and the Apostolic See have by their very nature the right, freely and independently of the civil power, to acquire, retain, and administer temporal goods for the prosecution of their proper purposes."

Consequently it denies the right of the state to tax or expropriate any ecclesiastical properties of any character.

5. It prohibits children from attending our public schools. Enforcement of that prohibition in this country keeps more than 2,000,000 of children out of our schools and forces them into its own schools of the character on which Latin America has so long depended, with the result of illiteracy nearly universal. Canon 1374 of the code says in Woywod's translation:

"Catholic children shall not attend non-Catholic indifferent schools that are mixed; that is to say, schools open to Catholics and non-Catholics alike."

6. The canon law condemns, and papal courts sitting in our cities set aside and disallow, marriages that are perfectly valid under American law. Woywod translates Canon 1094 of the code in these words:

"Those marriages only are valid which are contracted either before the pastor or the ordinary of the place, or a priest delegated by either, and at least two witnesses, in conformity, however, with the rules laid down in the following canons, and save for the exceptions mentioned below in canons 1098 and 1099."

The foregoing contradictions between canon law and that of the United States and the States have no relation to any questions of religion as such. They pertain to fundamental issues of sovereignty and governmental authority. They are entirely without the scope of our constitutional provisions touching religion.

The questions involved are civil and basic. The canonical doctrines are directed against the very foundations of American constitutional law. No clause in our National Constitution shields them or mitigates their pernicious force and effect. They bind every Roman Catholic in the world, whether he is aware of it or not. When necessity arises they will be rigidly enforced as they have been for more than a thousand years. It would be a tragic calamity to place any one subject to them in the Presidency of the United States.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and the Senate (at 5 o'clock and 5 minutes p. m.) adjourned until to-morrow, Wednesday, February 29, 1928, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 28, 1928

UNITED STATES MARSHAL

Cooper Hudspeth, of Arkansas, to be United States marshal, western district of Arkansas, vice Andrew J. Russell, resigned.

POSTMASTERS

ALABAMA

Ora B. Wann to be postmaster at Madison, Ala., in place of O. B. Wann. Incumbent's commission expires March 1, 1928.

Charles L. Jackson to be postmaster at Ashford, Ala., in place of A. B. Alford. Incumbent's commission expired January 9, 1927.

ARKANSAS

Warren P. Downing to be postmaster at Weiner, Ark., in place of W. P. Downing. Incumbent's commission expires March 1, 1928.

William E. Hill to be postmaster at Norphlet, Ark., in place of W. E. Hill. Incumbent's commission expires March 1, 1928.

Ralph F. Loche to be postmaster at Lockesburg, Ark., in place of R. F. Locke. Incumbent's commission expires March 1, 1928.

Julius L. Stephenson to be postmaster at Everton, Ark., in place of J. L. Stephenson. Incumbent's commission expires March 1, 1928.

Charles N. Ruffin to be postmaster at De Witt, Ark., in place of C. N. Ruffin. Incumbent's commission expires March 1, 1928.

CALIFORNIA

Jennie E. Kirk to be postmaster at Waterford, Calif., in place of J. E. Kirk. Incumbent's commission expired January 9, 1928.

Walter M. Brown to be postmaster at Turlock, Calif., in place of W. M. Brown. Incumbent's commission expired February 1, 1928.

Cassius C. Olmsted to be postmaster at San Rafael, Calif., in place of C. C. Olmsted. Incumbent's commission expired March 3, 1927.

Lew E. Wickes to be postmaster at Castella, Calif., in place of L. E. Wicks. Incumbent's commission expires March 3, 1928.

Peter Garrick to be postmaster at Camino, Calif., in place of Peter Garrick. Incumbent's commission expires March 3, 1928.

COLORADO

John R. Munro to be postmaster at Rifle, Colo., in place of J. R. Munro. Incumbent's commission expires March 1, 1928.

Edward F. Baldwin to be postmaster at Nucla, Colo., in place of E. F. Baldwin. Incumbent's commission expired February 26, 1928.

Paul C. Boyles to be postmaster at Gunnison, Colo., in place of P. C. Boyles. Incumbent's commission expires March 1, 1928.

Ben H. Glaze to be postmaster at Fowler, Colo., in place of B. H. Glaze. Incumbent's commission expires March 1, 1928.

John C. Straub to be postmaster at Flagler, Colo., in place of J. C. Straub. Incumbent's commission expired February 26, 1928.

Alice A. Blazer to be postmaster at Elizabeth, Colo., in place of A. A. Blazer. Incumbent's commission expires March 1, 1928.

Bessie Salabar to be postmaster at Bayfield, Colo., in place of Bessie Salabar. Incumbent's commission expires March 1, 1928.

CONNECTICUT

Sidney M. Cowles to be postmaster at Kensington, Conn., in place of S. M. Cowles. Incumbent's Commission expires March 1, 1928.

Harry K. Taylor to be postmaster at Hartford, Conn., in place of H. K. Taylor. Incumbent's commission expires March 1, 1928.

Marshall Emmons to be postmaster at East Haddam, Conn., in place of Marshall Emmons. Incumbent's commission expires March 1, 1928.

DELAWARE

George W. Mitchell to be postmaster at Ocean View, Del., in place of G. W. Mitchell. Incumbent's commission expires March 1, 1928.

FLORIDA

Mary Conway to be postmaster at Green Cove Springs, Fla., in place of Mary Conway. Incumbent's commission expires March 1, 1928.

IDAHO

Clarence P. Smith to be postmaster at Eden, Idaho, in place of C. P. Smith. Incumbent's commission expires March 1, 1928.

William W. McNair to be postmaster at Middleton, Idaho, in place of W. W. McNair. Incumbent's commission expired February 29, 1928.

Hannah H. Bills to be postmaster at Kimberly, Idaho, in place of H. H. Bills. Incumbent's commission expires March 1, 1928.

John E. McBurney to be postmaster at Harrison, Idaho, in place of J. E. McBurney. Incumbent's commission expires March 1, 1928.

ILLINOIS

Bryce E. Currens to be postmaster at Adair, Ill., in place of B. E. Currens. Incumbent's commission expired January 7, 1928.

INDIANA

William I. Ellison to be postmaster at Winona Lake, Ind., in place of W. I. Ellison. Incumbent's commission expires February 29, 1928.

Roy Sargent to be postmaster at Syracuse, Ind., in place of L. T. Heerman, resigned.

LaFayette H. Ribble to be postmaster at Fairmount, Ind., in place of L. H. Ribble. Incumbent's commission expires February 29, 1928.

Joseph W. Morrow to be postmaster at Charleston, Ind., in place of J. W. Morrow. Incumbent's commission expires February 29, 1928.

Jesse Dowen to be postmaster at Carbon, Ind., in place of Jesse Dowen. Incumbent's commission expires February 29, 1928.

IOWA

Joseph D. Schaben to be postmaster at Earling, Iowa., in place of J. D. Schaben. Incumbent's commission expired December 19, 1927.

Lewis H. Roberts to be postmaster at Clinton, Iowa, in place of L. H. Roberts. Incumbent's commission expires March 1, 1928.

KANSAS

Andrew M. Ludvickson to be postmaster at Severy, Kans., in place of A. M. Ludvickson. Incumbent's commission expired February 26, 1928.

Anna M. Bryan to be postmaster at Mullinville, Kans., in place of A. M. Bryan. Incumbent's commission expires March 1, 1928.

Nora J. Casteel to be postmaster at Montezuma, Kans., in place of N. J. Casteel. Incumbent's commission expires March 1, 1928.

George J. Frank to be postmaster at Manhattan, Kans., in place of G. J. Frank. Incumbent's commission expires March 1, 1928.

Forrest L. Powers to be postmaster at Le Roy, Kans., in place of F. L. Powers. Incumbent's commission expired February 26, 1928.

Joseph V. Barbo to be postmaster at Lenora, Kans., in place of J. V. Barbo. Incumbent's commission expires March 1, 1928.

Harry Morris to be postmaster at Garnett, Kans., in place of Harry Morris. Incumbent's commission expired February 26, 1928.

KENTUCKY

Charlie H. Throckmorton to be postmaster at Mount Olivet, Ky., in place of C. H. Throckmorton. Incumbent's commission expires February 29, 1928.

Egbert E. Jones to be postmaster at Milton, Ky., in place of E. E. Jones. Incumbent's commission expires February 29, 1928.

Harvey H. Pherigo to be postmaster at Clay City, Ky., in place of H. H. Pherigo. Incumbent's commission expires March 1, 1928.

Mattie R. Tichenor to be postmaster at Centertown, Ky., in place of M. R. Tichenor. Incumbent's commission expires February 29, 1928.

MAINE

Parker B. Stinson to be postmaster at Wiscasset, Me., in place of P. B. Stinson. Incumbent's commission expires March 1, 1928.

George E. Sands to be postmaster at Wilton, Me., in place of G. E. Sands. Incumbent's commission expired February 26, 1928.

Hiram W. Ricker, jr., to be postmaster at South Poland, Me., in place of H. W. Ricker, jr. Incumbent's commission expires March 1, 1928.

Harry S. Bates to be postmaster at Phillips, Me., in place of H. S. Bates. Incumbent's commission expired February 26, 1928.

Winfield L. Ames to be postmaster at North Haven, Me., in place of W. L. Ames. Incumbent's commission expires March 1, 1928.

Thomas E. Wilson to be postmaster at Kittery, Me., in place of T. E. Wilson. Incumbent's commission expires March 1, 1928.

Hugh Hayward to be postmaster at Ashland, Me., in place of Hugh Hayward. Incumbent's commission expired February 26, 1928.

MARYLAND

Harry E. Pyle to be postmaster at Aberdeen Proving Ground, Md., in place of H. E. Pyle. Incumbent's commission expires March 1, 1928.

MASSACHUSETTS

Fred C. Small to be postmaster at Buzzards Bay, Mass., in place of F. C. Small. Incumbent's commission expires March 1, 1928.

MICHIGAN

Wilda P. Hartingh to be postmaster at Pinconning, Mich., in place of W. P. Hartingh. Incumbent's commission expires March 3, 1928.

Patrick O'Brien to be postmaster at Iron River, Mich., in place of Patrick O'Brien. Incumbent's commission expired February 9, 1928.

Melvin A. Bates to be postmaster at Grayling, Mich., in place of M. A. Bates. Incumbent's commission expires March 3, 1928.

MINNESOTA

Alfred Gronner to be postmaster at Underwood, Minn., in place of Alfred Gronner. Incumbent's commission expires March 1, 1928.

Selma O. Hoff to be postmaster at St. Hilaire, Minn., in place of S. O. Hoff. Incumbent's commission expires March 1, 1928.

Francis S. Pollard to be postmaster at Morgan, Minn., in place of F. S. Pollard. Incumbent's commission expires March 1, 1928.

Louis W. Galour to be postmaster at Iona, Minn., in place of L. W. Galour. Incumbent's commission expires March 3, 1928.

Edith B. Triplett to be postmaster at Floodwood, Minn., in place of E. B. Triplett. Incumbent's commission expired December 21, 1926.

Eva Cole to be postmaster at Delavan, Minn., in place of Eva Cole. Incumbent's commission expired February 26, 1928.

Frederic E. Hamlin to be postmaster at Chaska, Minn., in place of F. E. Hamlin. Incumbent's commission expires March 1, 1928.

Paul B. Sanderson to be postmaster at Baudette, Minn., in place of P. B. Sanderson. Incumbent's commission expires March 3, 1928.

NEW YORK

John T. Gallagher to be postmaster at Witherbee, N. Y., in place of J. T. Gallagher. Incumbent's commission expired January 8, 1928.

Margaret T. Sweeney to be postmaster at East Islip, N. Y., in place of E. J. Sweeney, deceased.

Ralph C. Reakes to be postmaster at Truxton, N. Y. Office became presidential July 1, 1927.

Elmer Ketcham to be postmaster at Schoharie, N. Y., in place of Elmer Ketcham. Incumbent's commission expires February 29, 1928.

Fred L. Seager to be postmaster at Randolph, N. Y., in place of F. L. Seager. Incumbent's commission expires February 29, 1928.

Ruth W. J. Mott to be postmaster at Oswego, N. Y., in place of R. W. J. Mott. Incumbent's commission expires February 29, 1928.

Wallace Thurston to be postmaster at Floral Park, N. Y., in place of Wallace Thurston. Incumbent's commission expires February 29, 1928.

John E. Duryea to be postmaster at Farmingdale, N. Y., in place of J. E. Duryea. Incumbent's commission expires February 29, 1928.

Elmer C. Wyman to be postmaster at Dover Plains, N. Y., in place of E. C. Wyman. Incumbent's commission expires March 1, 1928.

John G. McNicoll to be postmaster at Cedarhurst, N. Y., in place of J. G. McNicoll. Incumbent's commission expires February 29, 1928.

NORTH DAKOTA

William H. Lenneville to be postmaster at Dickinson, N. Dak., in place of W. H. Lenneville. Incumbent's commission expired February 26, 1928.

Worthy Wing to be postmaster at Edmore, N. Dak., in place of O. S. Wing, removed.

Charles L. Erickson to be postmaster at Lankin, N. Dak., in place of S. N. Rinde, resigned.

OHIO

Ben F. Robuck to be postmaster at West Union, Ohio, in place of B. F. Robuck. Incumbent's commission expired February 26, 1928.

Charles O. Eastman to be postmaster at Wauseon, Ohio, in place of C. O. Eastman. Incumbent's commission expired January 7, 1928.

Iris L. Bloir to be postmaster at Sherwood, Ohio, in place of I. L. Bloir. Incumbent's commission expired February 26, 1928.

George B. Fulton to be postmaster at North Baltimore, Ohio, in place of G. B. Fulton. Incumbent's commission expired February 26, 1928.

La Bert Davie to be postmaster at New Lexington, Ohio, in place of La Bert Davie. Incumbent's commission expires March 1, 1928.

Clem Couden to be postmaster at Morrow, Ohio, in place of Clem Couden. Incumbent's commission expires March 1, 1928.

William H. Snodgrass to be postmaster at Marysville, Ohio, in place of W. H. Snodgrass. Incumbent's commission expires March 1, 1928.

Ida H. Cline to be postmaster at Kings Mills, Ohio, in place of I. H. Cline. Incumbent's commission expired February 26, 1928.

Wade W. McKee to be postmaster at Dennison, Ohio, in place of F. G. Pittenger. Incumbent's commission expired December 19, 1927.

Andrew L. Brunson to be postmaster at Degraff, Ohio, in place of A. L. Brunson. Incumbent's commission expires March 1, 1928.

Charles R. Ames to be postmaster at Bryan, Ohio, in place of C. R. Ames. Incumbent's commission expired January 7, 1928.

Charles E. Kniesly to be postmaster at Bradford, Ohio, in place of C. E. Kniesly. Incumbent's commission expires March 1, 1928.

Edward M. Barber to be postmaster at Ashley, Ohio, in place of E. M. Barber. Incumbent's commission expires March 1, 1928.

Arthur L. Vanosdall to be postmaster at Ashland, Ohio, in place of A. L. Vanosdall. Incumbent's commission expires March 1, 1928.

OKLAHOMA

Charles C. Chapell to be postmaster at Okmulgee, Okla., in place of C. C. Chapell. Incumbent's commission expires February 29, 1928.

Nellie V. Dolen to be postmaster at Okemah, Okla., in place of C. O. White, resigned.

OREGON

William I. Smith to be postmaster at Redmond, Oreg., in place of W. I. Smith. Incumbent's commission expires February 29, 1928.

Elmer F. Merritt to be postmaster at Merrill, Oreg., in place of E. F. Merritt. Incumbent's commission expires March 3, 1928.

William A. Morand to be postmaster at Boring, Oreg., in place of W. A. Morand. Incumbent's commission expires March 3, 1928.

PENNSYLVANIA

Thomas J. Kennedy to be postmaster at Renfrew, Pa., in place of T. J. Kennedy. Incumbent's commission expires March 1, 1928.

Christian Jansen to be postmaster at Essington, Pa., in place of J. C. McConnell, removed.

Michael A. Grubb to be postmaster at Liverpool, Pa., in place of M. A. Grubb. Incumbent's commission expires February 29, 1928.

John T. Painter to be postmaster at Greensburg, Pa., in place of J. T. Painter. Incumbent's commission expires February 29, 1928.

Edgar M. Chelgren to be postmaster at Grampian, Pa., in place of E. M. Chelgren. Incumbent's commission expires February 29, 1928.

Charles G. Fullerton to be postmaster at Freeport, Pa., in place of C. G. Fullerton. Incumbent's commission expires February 29, 1928.

Thomas Collins to be postmaster at Commodore, Pa., in place of Thomas Collins. Incumbent's commission expires March 1, 1928.

William A. Leroy to be postmaster at Canonsburg, Pa., in place of W. A. Leroy. Incumbent's commission expires March 1, 1928.

SOUTH CAROLINA

Malcolm J. Stanley to be postmaster at Hampton, S. C., in place of M. J. Stanley. Incumbent's commission expired February 26, 1928.

TENNESSEE

Ben M. Roberson to be postmaster at Loudon, Tenn., in place of B. M. Roberson. Incumbent's commission expires February 29, 1928.

William F. Osteen to be postmaster at Chapel Hill, Tenn., in place of L. B. Sweeney. Incumbent's commission expired December 19, 1927.

TEXAS

Silas J. White to be postmaster at Rising Star, Tex., in place of S. J. White. Incumbent's commission expires March 1, 1928.

Theodor Reichert to be postmaster at Nordheim, Tex., in place of Theodor Reichert. Incumbent's commission expires March 1, 1928.

Gustav A. Wulfman to be postmaster at Farwell, Tex., in place of G. A. Wulfman. Incumbent's commission expires March 1, 1928.

Charles H. Bugbee to be postmaster at Clarendon, Tex., in place of Homer Glascoe. Incumbent's commission expired December 19, 1927.

UTAH

Ivor Clove to be postmaster at Enterprise, Utah. Office became presidential July 1, 1927.

VIRGINIA

Robert L. Olinger to be postmaster at Blacksburg, Va., in place of R. L. Olinger. Incumbent's commission expires February 29, 1928.

WASHINGTON

Nellie Tyner to be postmaster at Dishman, Wash., in place of Nellie Tyner. Incumbent's commission expires February 29, 1928.

WEST VIRGINIA

James T. Akers to be postmaster at Bluefield, W. Va., in place of J. T. Akers. Incumbent's commission expires February 29, 1928.

Josephine B. Marks to be postmaster at Walton, W. Va. Office became presidential July 1, 1927.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1928

APPOINTMENT, BY TRANSFER, IN THE ARMY

COAST ARTILLERY CORPS

To be second lieutenant

Marvin John McKinney.

APPOINTMENT, BY PROMOTION, IN THE ARMY

To be major

Delphin Etienne Thebaud.

To be captains

William Neely Todd, jr.
Thomas Reed Taber.
Harry William Lins.

To be first lieutenants

Ulysses John Lincoln Peoples, jr.
Richard Briggs Evans.
Everett Clement Meriwether.

MEDICAL CORPS

To be colonel

John Leslie Shepard.

MEDICAL ADMINISTRATIVE CORPS

To be captains

Berban Huffine.
Richard Homer McElwain.
William Mortimer Barton.

POSTMASTERS

CALIFORNIA

John H. Hoeppel, Arcadia.
George P. Morse, Chico.
Alfred T. Taylor, Westwood.

FLORIDA

Frank B. Marshburn, Bronson.
Sherwood Hodson, Homestead.
John H. Anderson, Inglis.

NEW JERSEY

Elmira L. Phillips, Andover.
John G. Stoughton, Bergenfield.
William E. Allen, Blairstown.
John B. W. Berry, Clementon.
Z. Charles Challice, Fair Lawn.
Harold Pittis, Lakehurst.
Andrew Bauer, Little Ferry.
Thomas Post, Midland Park.
Margarethe Grund, New Milford.
Arthur F. Jahn, Ridgefield.

NEW MEXICO

Jose B. Martinez, Taos.

NEW YORK

Harrison D. Fuller, Antwerp.
Frederick J. Manchester, Clark Mills.
Benjamin R. Erwin, East Rochester.
Henry J. Frey, Ebenezer.
Thomas J. Courtney, Garden City.
Elizabeth T. Witherel, Lily Dale.

NORTH CAROLINA

John K. Brock, Trenton.

PENNSYLVANIA

Daniel J. Turner, Clarksville.
Cleo W. Callaway, Shawnee on Delaware.
Frances H. Diven, West Bridgewater.

RHODE ISLAND

Thomas D. Goldrick, Pascoag.

WISCONSIN

Walter C. Anderson, Rosholt.

HOUSE OF REPRESENTATIVES

TUESDAY, *February 28, 1928*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our lives are just a breath of Thy infinite nature; hence, may we not look with disdain or hold in contempt any human creature. We thank Thee that we are Thy rational children. Humbly and earnestly we ask for discerning minds that our knowledge of principles, of methods, and of men may be wise. Thy supreme favor is on those who have hearts and minds of unselfish devotion to service. Give us courage to generously recognize another's worth, to guard another's interest, and to surrender to another's just claims. Blessed spirit of God, help us always to discern between the value and the curse of wealth, between the beauty and the disease of luxury. Be the bow of promise in every threatening cloud, the balance of all discord, and the compensation for all loss. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had ordered that the House of Representatives be respectfully requested to return to the Senate the conference report on the bill (H. R. 9481) entitled "An act making appropriations for the Executive Office, sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes," together with all accompanying papers.

The message also announced that the Senate had passed with amendments the bill (H. R. 10286) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1929, and for other purposes," in which the concurrence of the House was requested.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 121. An act authorizing the Cairo Association of Commerce, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.; and

H. R. 5679. An act authorizing the Nebraska-Iowa Bridge Corporation, a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2280. An act to authorize the coinage of Longfellow medals;

S. 2449. An act to authorize the construction of a bridge across the Mississippi River at or near the city of Baton Rouge, in the parish of East Baton Rouge, and a point opposite thereto in the parish of West Baton Rouge, State of Louisiana;

S. 2569. An act providing for horticultural experiment and demonstration work in the semiarid or dry-land regions of the United States; and

S. J. Res. 98. Joint resolution authorizing the selection of sites and the erection of monuments to John Bunyan and William Harvey in Washington, D. C.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7201) entitled "An act to provide for the settlement of certain claims of American nationals against Germany and of German nationals against the United States, for the